

1.5 Functional Specification – Park Requisitions Spanning FY's

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Overview of 1.5

The purpose of this document is to review the SCEIS requirements outlined in the statement of work. During the workshop session, additional items were documented to complete the business requirements. The processes that have been documented are listed:

- Park documents for next year Purchasing activity
- Fiscal year processing for all applications
- Period base encumbrance tracking (PBET)
- Inter/Intra department transactions(IDT)

This document describes the processes that will assist SCEIS in the configuration of the SAP ECC system. Examples have been provided to outline the best business practice for Public Sector accounting. Key integration points have been documented which will assist in developing business process procedures. All steps and processes have been outlined to include transaction codes and menu paths.

SAP Fiscal Year Closing Overview

SCEIS has a requirement to park/hold purchase requisitions and purchase orders, without encumbering funds, prior to the start of the fiscal year while awaiting the new year budget to be approved and loaded. This requirement is needed to facilitate the procurement work-activities that occur before the beginning of a new fiscal year for new year activity.

Current SAP functionality executes an availability check against funds management upon the saving of the purchase requisition and/or purchase order. Saving of the purchase requisition and purchase order also triggers workflow. SAP has a “hold” functionality which does not execute an availability check, encumber funds (no accounting documents created) or trigger workflow.

SCEIS Procurement Design

The current design is to create the majority of purchases as a shopping cart in SRM. The shopping cart will be placed on hold for future fiscal year purchases prior to fiscal year close. A custom program will be required to verify the shopping cart date is for the future fiscal year and to save the shopping cart. Prior to posting held shopping carts, it is recommended SCEIS generate a report for held shopping carts to verify the date is for the future fiscal year. The shopping cart will then follow the appropriate workflow process. Care should also be taken to ensure that any automatic deletion programs running every so often to purge the system of shopping carts without activity don't automatically delete any parked/hold for future year processing when funding is available. A custom transaction code will be create that will execute the customer program to complete this process. The custom transaction code will be in the SRM system

SCEIS' design for shopping carts is as follows:

Purchasing Activity	System Action
Create Shopping Cart and Save	Availability Check with Message
Approve Shopping Cart (non-contract item)	Create Encumbrance in ECC with a Purchase Requisition
Approve Shopping Cart (contract item)	Create Encumbrance in ECC with a Purchase Order
Reject Shopping Cart	No Action
Change Shopping Cart after Rejection	Availability Check with Message

For purchases created only in ECC, the purchase requisitions and/or purchase orders will be placed on hold. Prior to posting held purchase requisitions and/or purchase orders, it is recommended SCEIS generate a report for held PR's and PO's to verify the date is for the future fiscal year. SCEIS would then use transaction FMFG_PR_POST to execute the following programs:

- RFFMFG_PR_HOLD_TO_POST to post the held purchase requisitions
- FMFG_PO_POST Program RFFMFG_PO_HOLD_TO_POST to post the held purchase orders.

The purchase requisition and/or purchase orders will then follow the appropriate workflow process. Listed below are screen prints of the transaction code FMFG_PR_POST:

Held Purchase Requisition

Purchase requisition Edit Goto Environment System Help

Display Purch. requisition 10000071 Held

Document overview off Personal setting

No variant

Purchase requisition 10000071

Header

St...	Item	A	I	Material	Short text	Quantity	Unit	C	Delivery date	Matl group	Plant	Stor. loc.	PGr	Requisnr.
	10	K			test	10	EA	D	04/13/2006	Material gro...	Budget and ...		F30	

Item [10] test

Material data Quantities/dates Valuation Account assignment Source of supply Status Contact person Texts

Quantity	10	EA	Delivery date	04/13/2006
Quantity ordered	0	EA	Request date	04/10/2006
Open quantity	10	EA	Release date	04/10/2006
<input type="checkbox"/> Closed			Pind dely time	0
<input type="checkbox"/> Fixed ID			GR Proc.Time	0

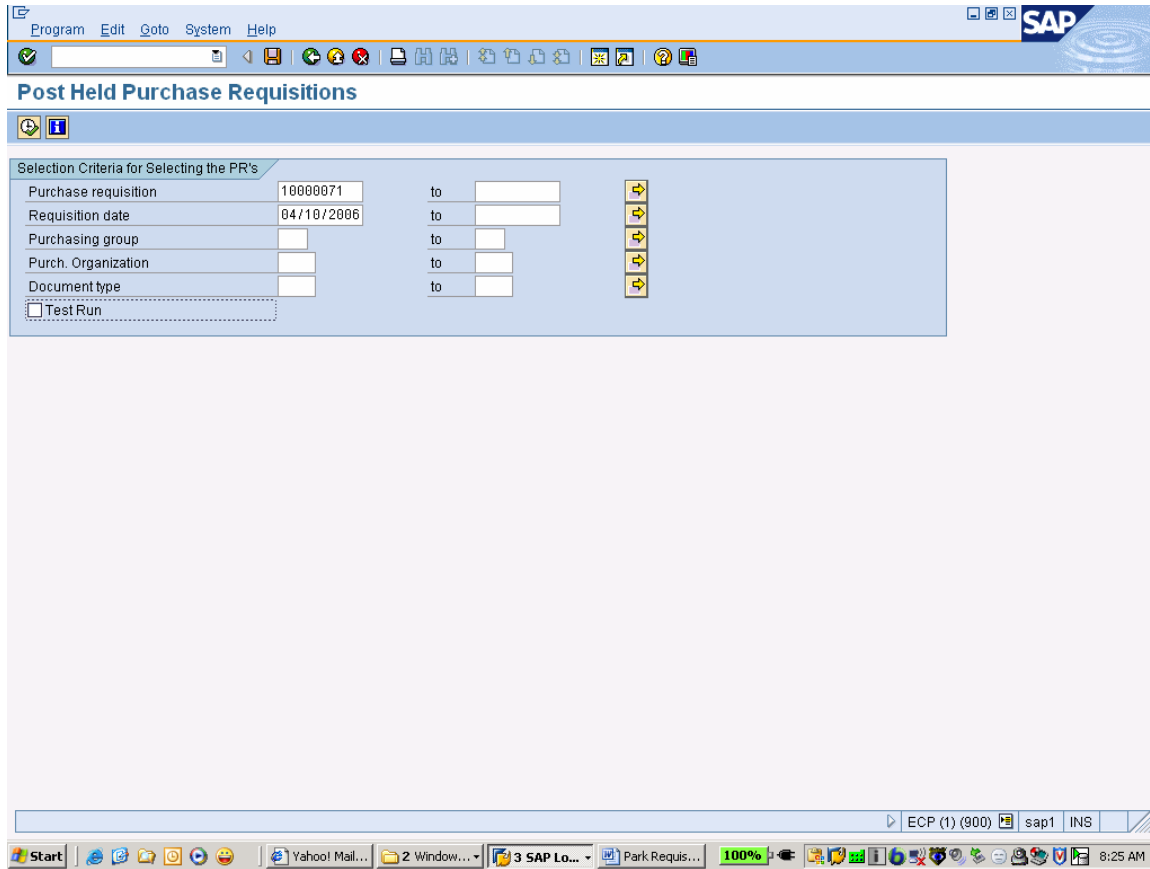
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ECP (1) (900) sap1 INS

Start Yahoo! Mail ... 2 Windows... 3 SAP Log... Park Requis... 100% 8:16 AM

Post Held Purchase Requisitions

(Transaction FMFG_PR_POST Program RFFMFG_PR_HOLD_TO_POST)



Selection Criteria for Selecting the PR's		
Purchase requisition	10000071	to
Requisition date	04/10/2006	to
Purchasing group		to
Purch. Organization		to
Document type		to
<input type="checkbox"/> Test Run		

Purchase requisition 10000071

Document overview off

No variant

Purchase requisition 10000071

Header

St...	Item	A	I	Material	Short text	Quantity	Unit	C	Delivery date	Matl group	Plant	Stor. loc.	PGr	Requisnr.
	10	K			test	10	EA	D	04/13/2006	Material gro...	Budget and ...			F30

Item 10 test

Material data Quantities/dates Valuation Account assignment Source of supply Status Contact person Texts

Quantity	10	EA	Delivery date	D 04/13/2006
Quantity ordered	0	EA	Request date	04/10/2006
Open quantity	10	EA	Release date	04/10/2006
<input type="checkbox"/> Closed			Plnd dely time	0
<input type="checkbox"/> Fixed ID			GR Proc.Time	0

ECP (2) (900) sap1 INS

Document Journal

Document Journal

FM Area SC01
Year commitment item 2006
Commitment item

RefDocNo	Item	Val.type text	Prd	FM pstg d.	Pynt Bdgt	G/L Account	CI text	Funds Center	Funds center text	Fund	Fund name	Functional Area
10000071	10	Purchase Requisitions	10	04/10/2006	100.00	5610000300	Misc Operations	1314010000	Int. Audit and Per.	1001	General Fund	030001000000007

ECP (2) (900) sap1 INS

Held Purchase Orders

Purchase order Edit Goto Environment System Help

Held Standard PO 4500000039 Created by Teresa Hane

Document overview off Print preview Messages Personal setting

Standard PO 4500000039 Vendor 10005 Vendor & co Doc. date 04/07/2006

Header

S. Itm	PO quantity	O...	Deliv. date	Net price	Curr...	Per	O...	Matl Group	PInt	SLoc
10		10 EA	05/31/2006	10,000.00 USD		1	EA	Material group 1	Budget and Contro...	

Purch.Doc. 4500000039

Item [10] Test Purchase

Material data Quantities/weights Delivery schedule Delivery Invoice Conditions Account assignment Texts

Unloading Point Recipient

G/L account no. 5610000300

Business Area F030

CO Area SC01

Cost Center 1314010000

Fund 1001 Grant

Functional Area 0300010000000076

Funds Center 1314010000

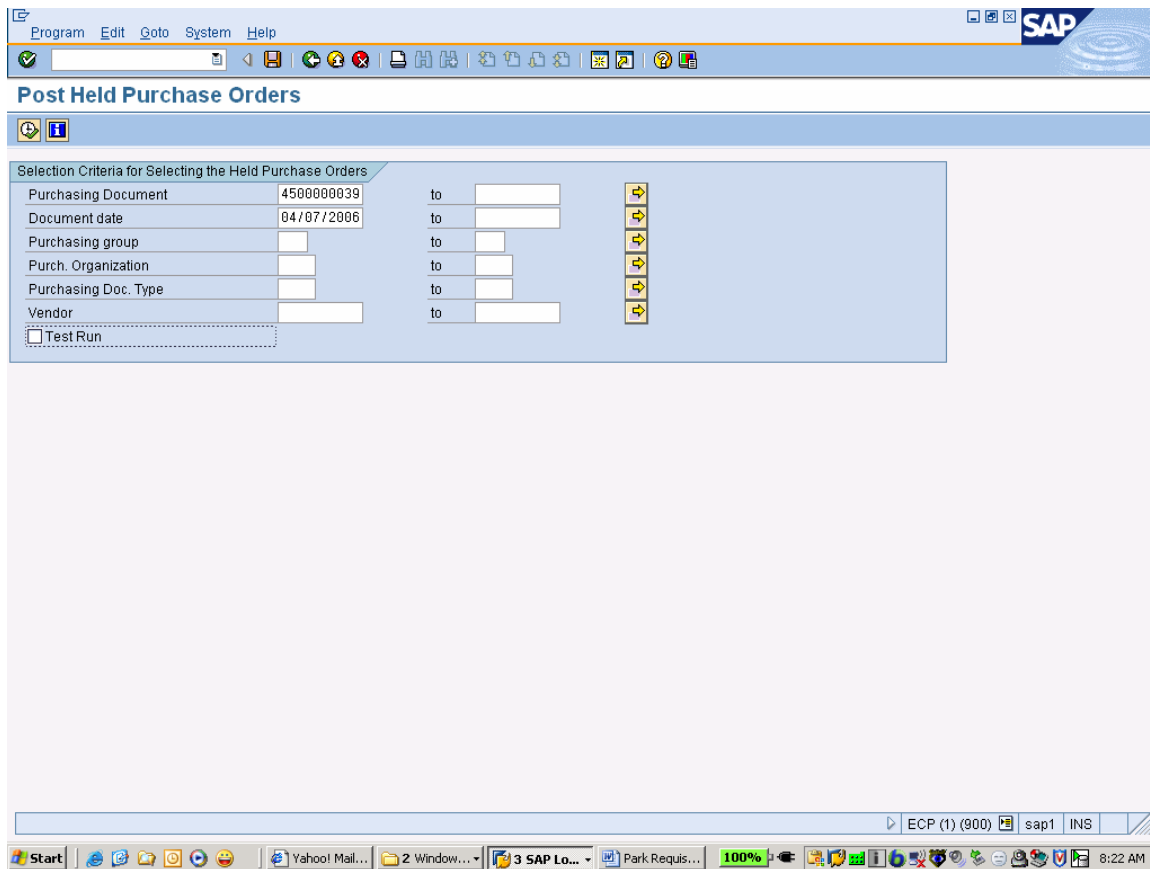
No subsequent document found in Accounting

ECP (2) (900) sap1 INS

Start Yahoo! Mail... 2 Window... 3 SAP Lo... Park Requis... 100% 8:19 AM

Post Held Purchase Orders

(Transaction FMFG_PO_POST Program RFFMFG_PO_HOLD_TO_POST)



Selection Criteria for Selecting the Held Purchase Orders		
Purchasing Document	4500000039	to
Document date	04/07/2006	to
Purchasing group		to
Purch. Organization		to
Purchasing Doc. Type		to
Vendor		to
<input type="checkbox"/> Test Run		

Purchase order Edit Goto Environment System Help

Standard PO 4500000039 Created by Teresa Hane

Document overview off Print preview Messages Personal setting

Standard PO 4500000039 Vendor 10005 Vendor & co Doc. date 04/07/2006

Header

S...	Item	PO quantity	O...	Deliv. date	Net price	Curr...	Per	O...	Matl Group	Plant	SLoc
	10		10 EA	05/31/2006	10,000.00 USD		1	EA	Material group 1	Budget and Contro...	

Purch.Doc. 4500000039

Item [10] Test Purchase

Material data Quantities/weights Delivery schedule Delivery Invoice Conditions Account assignment Texts

Unloading Point Recipient

GL account no. 5610000300

Business Area F030

CO Area SC01

Cost Center 1314010000

Fund 1001

Functional Area 0300010000000076

Funds Center 1314010000

Grant

ECP (2) (900) sap1 INS

List Edit Goto Views Settings System Help

Document Journal

Document Journal

FM Area SC01

Year commitment item 2006

Commitment item

RefDocNo	Item	Val.type text	Prd	FM pstg d.	Pynt Bdgt	GL Account	CI text	Funds Center	Funds center text	Fund	Fund name	Functional Area
4500000039	10	Purchase Orders	10	04/07/2006	100,000.00	5610000300	Misc Operations	1314010000	Int. Audit and Per.	1001	General Fund	0300010000000076

ECP (2) (900) sap1 INS

Fiscal Year Closing Procedures

- Overview
- Integrated Fiscal Year Closing
- Funds Management Closing
- BCS Closing

Overview

Although carrying out closing operations is not a technical requirement from the perspective of the ECC System, your decision will affect:

- The budgets
- Budget usage
- The way in which commitments, actuals and budgets are displayed in reporting

If you do not carry out closing operations:

- Actual values are not carried forward for funds with annual values
- Open commitment documents remain in the prior year
- Residual budget in the prior year is not available for activities in the new year. It is simply forfeited.

Budgetary Accounting and Control must be maintained using Funds Management:

- Budgetary fund accounting, control and reconciliation
- Balance carryforward of actual, unspent, available budgetary resources (fund balances)
- Reconciliation of actual fund balance (budgetary vs. modified accrual vs. full accrual)
- Carryforward and tracking of residual budget from prior years
- Budgeting and reporting of beginning and ending unspent fund balances
- Active availability control (on-line, real-time budgetary control)
 - Organizational (non-order, non-project) spending
 - Functional spending (functional area field)
 - Programmatic spending (funded program field in ECC Enterprise)
 - Higher-level expense classifications (commitment items)
 - Multiple availability control
 - Payment budget vs. commitment budget
 - User-defined availability control ledgers (ECC Enterprise)
- Budgetary control of encumbrances
 - Based on posting dates (vs. projected delivery dates in CO/PS)
 - Carryforward and tracking of related budget from prior years
 - Encumbrance review and management (ECC Enterprise)
- Budgeting and control of fixed assets
- Budgeting and control of inventory purchases
- Budgetary accounting and reporting on a cash basis
 - Only if absolutely necessary (not all Financial Accounting transactions are supported)

- If cash by fund is the only requirement, use split ledger
- Consider an ABAP solution instead

Integrated Fiscal Year Closing

Because the my SAP Public Sector accounting is tightly integrated to properly support multiple methods of accounting and budgetary control, the various my SAP modules (including encumbrances from the logistics side) impact each other. In order to prevent inadvertent changes in financial information after a year has been closed, and to ensure uninterrupted on-going operations, it is critical that fiscal years be opened and closed in a centralized, integrated fashion. Batch processing jobs should be scheduled using the SAP Schedule Manager. Manual processing steps should be also scheduled and tracked using worklists in Schedule Manager.

Many of the year opening and closing transactions are considered configuration until the company code is set to productive. This can cause problems with the proper testing of year-end closing procedures; accordingly, make sure that the company code is set to productive in the test system before testing begins.

Listed below are the modules and related year opening and closing steps that must be considered and properly sequenced to maintain proper accounting, budgetary and operational control. These steps must be properly combined with the period opening / closing steps described previously.

New General Ledger

Posting periods in the General Ledger are used to ensure overall financial accounting control, affecting all financial accounting postings made in the system. These posting periods are accessed using the menu path *Accounting→Financial Accounting→General Ledger→Environment→Current Settings→Open and Close Posting Periods (Transaction S_ALR_87003642 or OB52)*. Postings made to GL accounts, customers, vendors, materials, and assets are controlled using this transaction.

The fund accounting ledger is being updated based on financial accounting information and is using the same fiscal year as the General Ledger, there is no need to separately maintain the Special Ledger posting periods accessed through the menu path *Accounting→Financial Accounting→Special Ledger→Environment→Current Settings→Local Posting Period (Transaction GCP1)*.

Financial accounting documents may be parked during one fiscal year and posted in another (because the previous fiscal year is closed); configuration is possible to have the posting date changed when the parked financial document is ultimately posted. This can be accomplished through the configuration step *IMG→Financial Accounting→Financial Accounting Global Settings→Document→Document Parking→Change Posting Date for Parking Documents*.

General Ledger balance carryforwards must be performed in order to update the beginning GL account balances within the General Ledger for the next fiscal year. These balance carryforwards are done through the menu path *Accounting→Financial Accounting→General Ledger→Periodic Processing→Closing→Carryforward→Balance Carryforward (Transaction F.16)*.

Special periods (13-16) are used to allow limited year-end closing entries to be made for final audit adjustments. These periods must be carefully controlled during the year-end closing process.

The General Ledger balance carryforwards must be rerun if any new postings are made in the prior year, and must be run again prior to final year-end closing.

Accounts Receivable

Accounts Receivable carryforwards must be performed in order to allow processing of existing items within the next fiscal year. These carryforwards are done through the menu path *Accounting→Financial Accounting→Customers→Periodic Processing→Closing→Carryforward→Balances (Transaction F.07)*.

Accounts Receivable balance carryforwards only need to be run once. They do not need to be rerun if any new postings are made in the prior year or prior to final closing.

Accounts Payable

Accounts Payable carryforwards must be performed in order to allow processing of existing items within the next fiscal year. These carryforwards are done through the menu path *Accounting→Financial Accounting→Vendors→Periodic Processing→Closing→Carryforward→Balances (Transaction F.07)*.

Accounts Payable balance carryforwards only need to be run once. They do not need to be rerun if any new postings are made in the prior year or prior to final closing. In order to ensure that all goods receipts and invoices are recorded in the previous fiscal year, the customer should determine the proper amount of time to keep the prior year open for operational purposes to allow staff to enter as many documents as possible to avoid having to prepare summary accrual entries. After this time, a process should be determined that allows the customer to review all material goods receipts and invoices processed in the new fiscal year and accrue any that should have been entered in the prior year.

Fixed Assets

A fiscal year change must be performed in order to allow processing of assets within the next fiscal year. There is an eleven step process to close asset management fiscal year. The close process is listed in Appendix I. This is done through the menu path *Accounting→Financial Accounting→Fixed Assets→Periodic Processing→Fiscal Year Change (Transaction AJRW)*.

After all asset values and related depreciation for the previous fiscal year are posted, the fiscal year close must be performed to prevent further processing of assets in previous year. This is done through the menu path *Accounting→Financial Accounting→Fixed Assets→Periodic Processing→Year-End Closing→Execute (Transaction AJAB)*.

Funds Management

Posting periods in Funds Management are used to ensure overall budgetary control, affecting all FM postings (financial postings, encumbrances and cost allocations) made in the system. These posting periods are accessed using the menu path *Accounting→Financial Accounting→Public Sector Management→Funds Management→Additional Functions→Closing Operations→Open and Close Posting Periods / Fiscal Years*. Postings made to FM for budgets, value types, funds, funds centers and commitment items are controlled using this transaction.

Encumbrances updated through materials management do not have a posting date; there may be situations where a document created in a new fiscal year needs to be posted in the prior fiscal year. This can be accomplished by temporarily assigning a different update date in Funds Management to certain users that will allow prior-period posting of encumbrances. This is done using the menu path *Accounting→Financial Accounting→Public Sector Management→Funds Management→Posting→Tools→Period-Based Encumbrance Tracking→Define Update Date (Transaction FMOD)*. This update date, which should be maintained as a date in the next month for most users, will also be used as the FM posting date for parked / workflowed encumbrance documents if those documents were created in a period that has been closed.

Funds Management actual fund balance carryforwards must be performed in order to update the beginning actual fund balances within Funds Management for the next fiscal year. These balance carryforwards are done through the menu path *Accounting→Financial Accounting→Public Sector Management→Funds Management→Additional Functions→Closing Operations→Fund Balance Carryforward (Transaction FMVT)*.

Funds Management commitment carryforwards must be performed in order to process subsequent transactions against the related encumbrances in the next fiscal year. This includes processing of transactions against closed or “zero balance” commitments. These commitment carryforwards are done through the menu path *Accounting→Financial Accounting→Public Sector Management→Funds Management→Additional Functions→Closing Operations→Commitment Carryforward (first → Select, then → Carryforward Documents) (Transaction FMJ2)*.

In order to ensure that all goods receipts and invoices are recorded in the previous fiscal year, the customer should determine the proper amount of time to keep the prior year open for operational purposes to allow staff to enter as many documents as possible to avoid having to prepare summary accrual entries. This includes not performing the FM commitment carryforward for those encumbrances that are expected to be processed (via goods receipt and/or invoice entry) in the previous year. If encumbrances were carried forward inadvertently, the commitment carryforward can be reversed through the menu path *Accounting→Financial Accounting→Public Sector Management→Funds Management→Additional Functions→Closing Operations→Commitment Carryforward→Undo (Transaction FMJ3)*. This should only be done if there has been no subsequent processing of the encumbrance in the new fiscal year.

Funds Management budget carryforwards must be performed in order to utilize the previous year's unused budget in the next fiscal year. These budget carryforwards (including budget related to commitments carried forward) are done through the menu path *Accounting→Financial Accounting→Public Sector Management→Funds Management→Additional Functions→Closing Operations→Budget Carryforward* (first →*Prepare*, then →*Determine*, then →*Execute*) (*Transactions FMJA, FMJB and FMJC*).

In order to prevent unused budget related to FM commitments that have been carried forward and liquidated, a process must be determined that identifies and transfers (lapses) unused carried forward budget to prevent this budget from being used for current commitments or postings.

Funds Management carryforwards must be rerun if any new postings are made in the prior year, and must be run again prior to final year-end closing.
In order for Funds Management carryforwards to be processed, period 0 must be open in the next fiscal year!

Controlling / Project System

Posting periods in Controlling are used to ensure overall cost and project accounting control, affecting all cost accounting postings made in the system. These posting periods are accessed using the menu path *Accounting→Controlling→Cost Element Accounting→Environment→Period Lock→Change* (*Transaction OKP1*). Postings made via business transactions that impact CO and PS are controlled using this transaction. Controlling and Project System commitment carryforwards must be performed (if commitments are being updated in CO / PS) in order to process subsequent transactions against the related commitments in the next fiscal year. These controlling commitment carryforwards are done through the following menu paths:

Accounting→Controlling→Cost Center Accounting→Year-End Closing→Commitment Carried Forward (Cost Center Accounting) (*Transaction KSCF*).

Accounting→Controlling→Internal Orders→Year-End Closing→Commitment Carried Forward (Internal Orders) (*Transaction KOCF*).

Accounting→Project System→Financials→Year-End Closing→Carry Forward Commitment (Project System) (*Transaction CJCF*).

Budget carryforwards must be performed in order to utilize the previous year's unused budget in the next fiscal year (if budgeting in CO / PS). These budget carryforwards are done through the following menu paths:

Accounting→Controlling→Internal Orders→Year-End Closing→Carry Forward Budget (Internal Orders) (*Transaction KOCO*).

Accounting→Project System→Financials→Year-End Closing→Budget Carryforward (Project System) (*Transaction CJCO*).

Controlling and Project System carryforwards must be rerun if any new postings are made in the prior year, and must be run again prior to final year-end closing.

Materials Management

Posting periods in Materials Management are used to ensure overall logistical control, affecting all postings to materials made in the system. These posting periods are accessed using the menu paths *Logistics→Materials Management→Material*

Master→Other→Close Period (Transaction MMPV) and Logistics→Materials Management→Material Master→Other→Allow Posting to Previous Period (Transaction MMRV). Postings that affect usage of materials and overall material requirements planning are controlled using this transaction.

Below is an example of how year-end processing would be controlled in an integrated fashion and included in a year-end closing schedule.

Last day of year:

- Perform last day of month-end processing steps
- Open next fiscal year for Materials Management.
- Open next fiscal year financial postings (GL, AP, AR, and AA).
- Perform General Ledger balance carryforward.
- Perform Special Ledger balance carryforward.
- Perform Accounts Receivable carryforward.
- Perform Accounts Payable carryforward.
- Open next fiscal year for Fixed Assets
- Open next fiscal year for Controlling.
- Perform Cost Center Accounting commitment carryforward.
- Perform Internal Order commitment carryforward.
- Perform Internal Order budget carryforward.
- Perform Project System commitment carryforward.
- Perform Project System budget carryforward.
- Open next fiscal year for Funds Management.
- Perform Funds Management balance carryforward.
- Perform Funds Management commitment carryforward (for encumbrances expected to be processed in the next fiscal year).
- Perform Funds Management budget carryforward.
- Set general FM update date to next year.

Day(s) ? of next year:

- Perform remaining month-end processing steps.
- Closely control special period opening and closing for the prior fiscal year (as needed).
- Close prior fiscal year for Materials Management.
- Perform periodic General Ledger balance carryforward (as needed).
- Perform periodic Special Ledger balance carryforward (as needed).
- Perform periodic Cost Center Accounting commitment carryforward (as needed).
- Perform periodic Internal Order commitment carryforward (as needed).
- Perform periodic Internal Order budget carryforward (as needed).
- Perform periodic Project System commitment carryforward (as needed).
- Perform periodic Project System budget carryforward (as needed).
- Perform periodic Funds Management balance carryforward (as needed).
- Perform periodic Funds Management commitment carryforward (as needed).
- Perform periodic Funds Management budget carryforward (as needed).
- Perform final special period allocations in Controlling.
- Perform final special period settlements in Controlling.
- Perform final special period monthly allocations in Project System.
- Perform final special period monthly settlements in Project System.

- Perform final FI/CO reconciliation ledger.
- Run and verify final asset depreciation for special periods.
- Perform final General Ledger balance carryforward.
- Perform final Special Ledger balance carryforward.
- Close prior fiscal year for financial postings (GL, AP, AR, and AA).
- Close prior fiscal year for Fixed Assets.
- Perform final Cost Center Accounting commitment carryforward.
- Perform final Internal Order commitment carryforward.
- Perform final Internal Order budget carryforward.
- Perform final Project System commitment carryforward.
- Perform final Project System budget carryforward.
- Close prior fiscal year for Controlling.
- Perform final Funds Management balance carryforward.
- Perform final Funds Management commitment carryforward.
- Perform final Funds Management budget carryforward.
- Close prior fiscal year for Funds Management.
- Run final reports / final data extraction to Business Warehouse.

Funds Management Closing

Because Funds Management is fiscal year driven, any subsequent processing of an open document (e.g., processing of a goods receipt or invoice against a purchase order) requires that there be an FM document to be referenced in the year that the subsequent document is processed. This can only be done by carrying forward FM encumbrance documents from one year to the next using the year-end commitment carryforward functionality. In addition, any encumbrance document that would be re-opened due to reversal of the subsequent document must also be carried forward (i.e., “zero” carryforwards).

Because of the potential at the end of the year to affect operational processing of documents, it is critical that all documents expected to be processed within the next fiscal year be carried forward in FM on the last day of a fiscal year. Encumbrances that are expected to be processed in the previous year (e.g., goods receipts or accounts payable invoices that should be entered in the prior year because the goods / services were received in the prior year) should not be carried forward immediately. Encumbrances that are not expected to be processed in following years should be liquidated.

If, for any reason, commitments carried forward are then determined to need subsequent processing in the prior fiscal year, individual commitments carried forward can be reversed. A commitment carryforward must not be reversed if the document has been subsequently updated in the next fiscal year!

Unless the organization budgets for commitments carried forward in the next fiscal year, the budget for commitments carried forward must also be carried forward to the next fiscal year; otherwise, the commitments carried forward will consume the next year's budget. Budget related to commitments carried forward will automatically be available if a commitment is liquidated (without being consumed by a subsequent document) unless manually blocked or transferred.

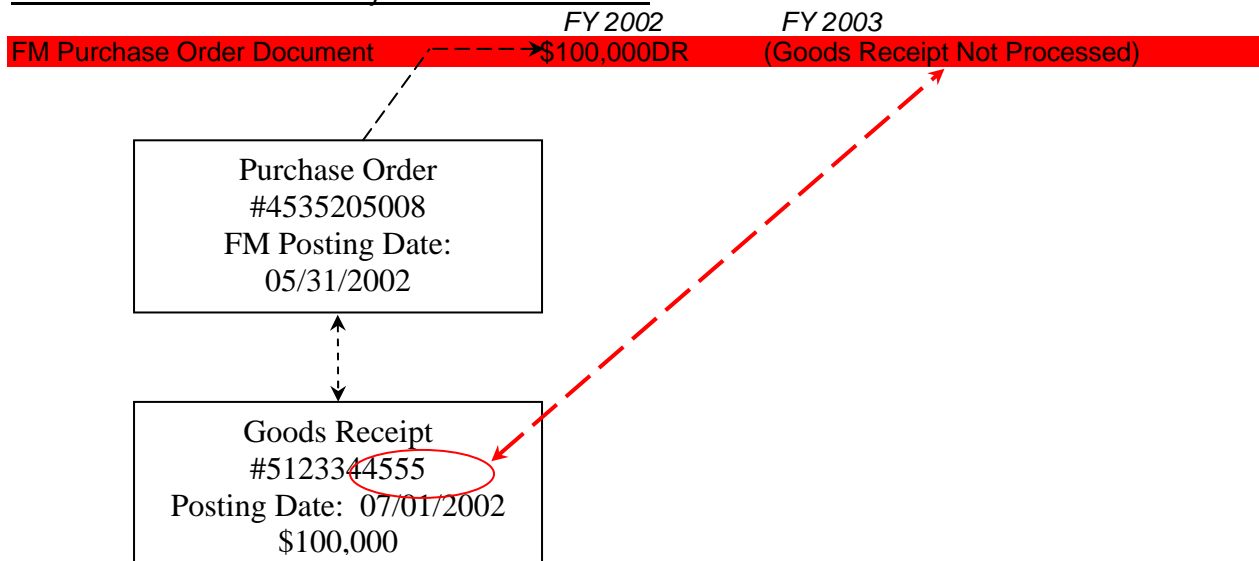
Carried forward commitment and budget & subsequent documents related to these commitments can be segregated for reporting purposes.

Below are examples of the impact that FM commitment carryforwards can have if not done properly.

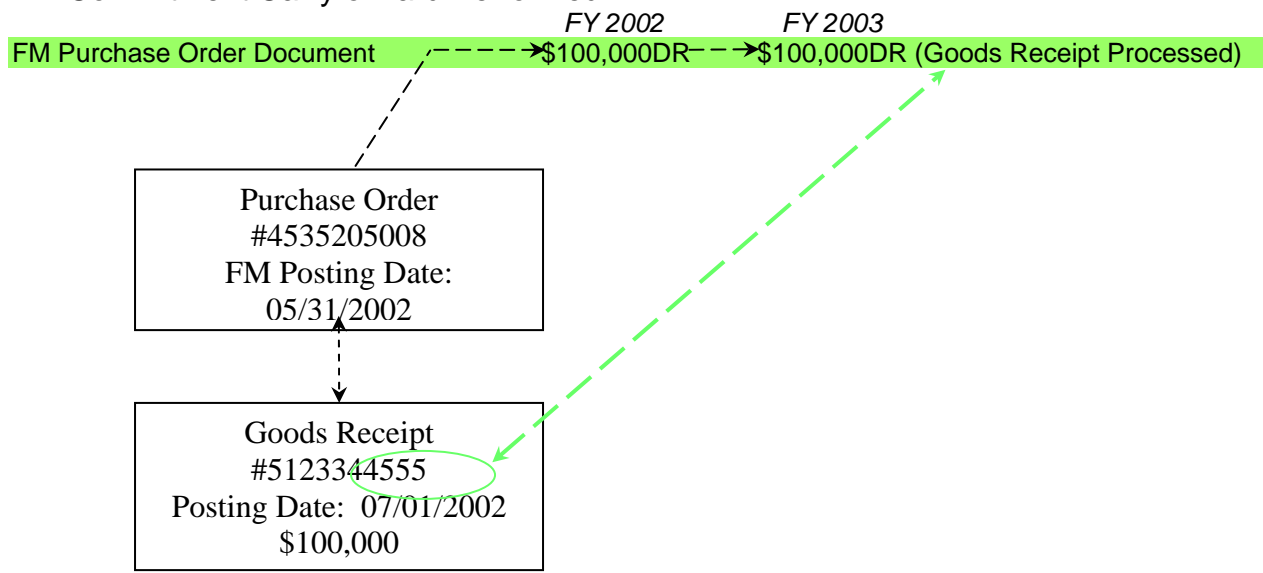
Subsequent Processing of Commitments

An open commitment must be carried forward to the next fiscal year in order to allow processing of the document by another document in the subsequent year. The process of the closing will determine the order of this process. It is recommended to carry forward commitments on the first day of the fiscal year. This will eliminate any issues in completing goods receipt of prior year commitments and problems with PBET.

No FM Commitment Carryforward Performed

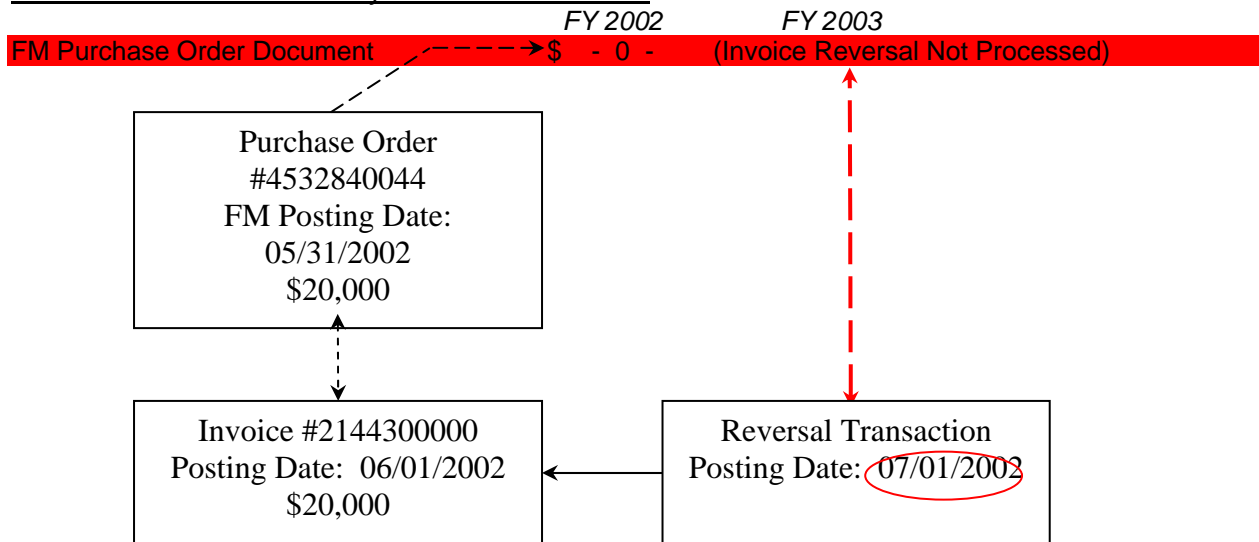
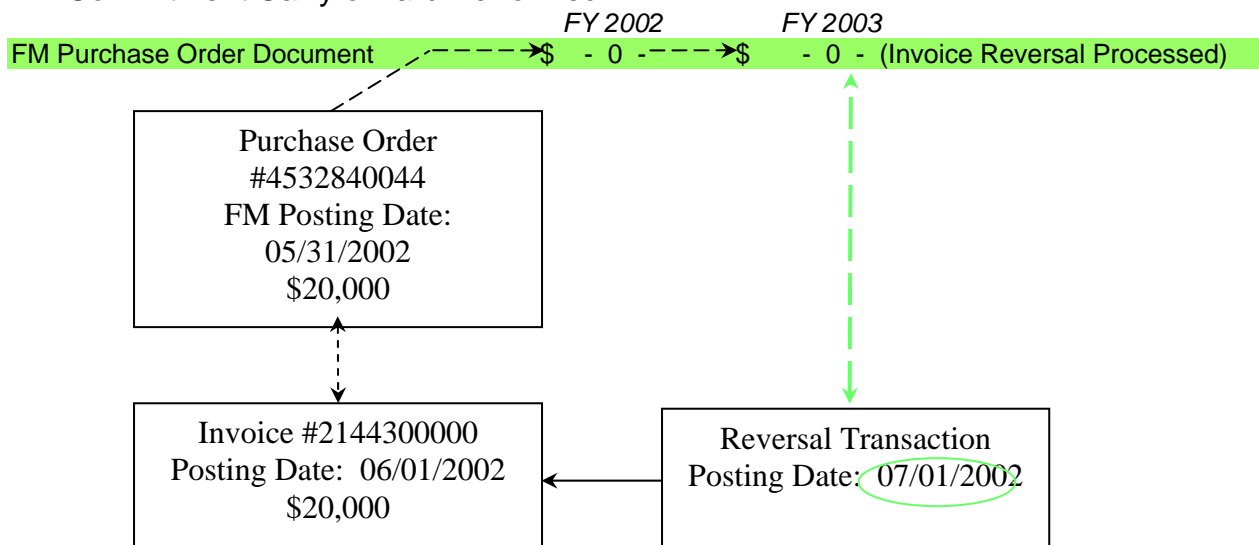


FM Commitment Carryforward Performed



Subsequent Reversal and Re-opening of Commitments ("Zero" Carryforwards)

A closed commitment must be carried forward to the next fiscal year in order to allow reversals and re-opening of the document in the subsequent year.

No FM Commitment Carryforward PerformedFM Commitment Carryforward Performed

Because Funds Management is fiscal year driven, budget is entered and availability checking is performed for the fiscal year. Funds Management currently has limited overall (multiple year) budgeting and availability control capability; however, due to inconsistencies between annual budgeting and overall budgeting, the overall budgeting functionality is being redesigned in BCS and taking into consideration the new Multi-Year Budget Execution functionality.

Best business practice dictates that all unused budget be accounted for (using some kind of lapsing process) and budget carryforwards done for future appropriation or expenditure.

Residual budget should not include budget for commitments being carried forward; this budget should be carried forward separately based on the commitments carried forward. Carried forward budget can be segregated for reporting purposes.

Below is an example of how budget should be properly accounted for, reconciled and carried forward in Funds Management.

Lapsing of Budget During Fiscal Year

Unused budget (appropriation) should be fully accounted for during the fiscal year. If it appears that the budget will not be used for the purpose intended but, instead, "lapse" for future reappropriation, budget transfers should be done from the original account assignment to a general, non-expendable lapsing account assignment. This transfer must be done using a different budget sub-type to ensure easy segregation for reporting purposes.

Fiscal Year 2002 Budget Reconciliation and Lapsing

	FY 2002	
Fund 1, Funds Center 1, Functional Area 1, Commitment Item 1: (Operating FM account assignments)		
Budget (Subtype = "Appropriation")	\$100,000DR	
Actuals	\$ 50,000DR	
Outstanding Commitments (approved for carry forward)	<u>\$ 25,000DR</u>	
Unused Budget	\$ 25,000DR	
Budget Transfer (Subtype = "Lapsed")	<u>\$ 15,000CR</u> ←	} Budget
Residual Budget (allowed for future expenditure)	<u>\$ 10,000DR</u>	
Fund x, Funds Center x, Functional Area x, Commitment Item x: (FM "lapse" account assignment for future appropriation)		
Budget Transfer (Subtype = "Lapsed")	<u>\$ 15,000DR</u> ←	
Unused Budget (for future appropriation)	<u>\$ 15,000DR</u>	

Fiscal Years 2002→2003 Budget Carryforward

	<i>FY 2002</i>	<i>FY 2003</i>
Fund 1, Funds Center 1, Functional Area 1, Commitment Item 1: (Subtype="Carryforward")		
Budget (Subtype = "Appropriation")	\$100,000DR	
Actuals	\$ 50,000DR	
Outstanding Commitments (approved for carry forward)	\$ 25,000DR	\$ 25,000DR
Unused Budget	\$ 25,000DR	
Budget Transfer (Subtype = "Lapsed")	\$ 15,000CR	
Residual Budget (allowed for future expenditure)	\$ 10,000DR	\$ 10,000DR

Fund x, Funds Center x, Functional Area x, Commitment Item x:

Budget Transfer (Subtype = "Lapsed")	\$ 15,000DR	
Unused Budget (for future appropriation)	\$ 15,000DR	\$ 15,000DR

Fiscal Year 2002 Budget

Fund 1, Funds Center 1, Functional Area 1, Commitment Item 1:

<i>Appropriation</i>	<i>Lapsed</i>	<i>Adjusted Budget</i>	<i>Carryforward</i>	<i>Remaining Budget</i>
\$100,000DR	\$15,000CR	\$85,000DR	\$35,000CR	\$50,000DR

Fund x, Funds Center x, Functional Area x, Commitment Item x:

<i>Appropriation</i>	<i>Lapsed</i>	<i>Adjusted Budget</i>	<i>Carryforward</i>	<i>Remaining Budget</i>
\$ - 0 -	\$15,000DR	\$15,000DR	\$15,000CR	\$ - 0 -

Fiscal Year 2003 Budget

Fund 1, Funds Center 1, Functional Area 1, Commitment Item 1:

<i>Appropriation</i>	<i>Lapsed</i>	<i>Adjusted Budget</i>	<i>Carryforward</i>	<i>Remaining Budget</i>
\$ - 0 -	\$ - 0 -	\$ - 0 -	\$35,000DR	\$35,000DR

Fund x, Funds Center x, Functional Area x, Commitment Item x:

<i>Appropriation</i>	<i>Lapsed</i>	<i>Adjusted Budget</i>	<i>Carryforward</i>	<i>Remaining Budget</i>
\$ - 0 -	\$ - 0 -	\$ - 0 -	\$15,000DR	\$15,000DR

Funds Management should not only be used to track budget vs. actual and encumbrance amounts during the year. An additional goal of proper budgetary accounting and control is also to provide management with an understanding of the actual funding resources available at any point in time. This allows automated assistance with projecting the actual resources available in the various funds for future appropriation and expenditure.

Actual fund balance carryforwards must be configured and included in the year-end closing procedures in order to properly affect full budgetary accounting, control and reconciliation. This functionality summarizes the balances for all items posted to value types [54] to be carried forward into various summary commitment items as beginning fund balances for the next fiscal year. This summarization is done by assigning carryforward item categories to all commitment items to be carried forward. The carryforward item categories identify the commitment item to be used in the next fiscal year for the summary balances from the previous year.

Actual fund balance carryforwards also include the carryforward of statistical commitment items that are used in Funds Management to reconcile budgetary fund balances to modified accrual fund balances and full accrual net asset balances. Any commitment items that represent reconciling items must be carried forward to separate fund balance commitment items in order to affect automated fund balance and net asset reconciliation.

Provide Management with Information about Resources Available for Future Appropriation or Expenditure

Funds Management records actual transactions on an organization's budgetary basis. As a result, FM contains data about the sources and uses of an organization's funds, providing management with key information to assist them with determining future resources that will either be expended on goods/services related to that budget year or lapsed and appropriated in future budget years.

For example, an organization budgets \$50,000 of expenditures in the current year for a new fund. This appropriation is based on a revenue estimate of \$50,000. However, during the year, revenue of \$60,000 is recorded, the organization only spends \$40,000, and \$5,000 in encumbrances are open but not yet spent. The following fund balances information is then available in FM to effect management of the unspent available resources for the next budget year (including establishing of fund balance reserves for contingencies or long-term appropriation).

	FY 2002	FY 2003
Actual Revenues	\$60,000CR	
Actual Expenditures	<u>\$40,000DR</u>	
<i>Available Fund Balance</i>	<u>\$20,000CR</u>	
Open Encumbrances	<u>\$ 5,000DR</u>	
Fund Balance Available for Future Appropriation	<u>\$15,000CR</u>	\$15,000CR
Estimated Revenues		\$75,000CR
Next Year Expenditure Appropriation		\$70,000DR
Fund Balance to be Reserved for Future Appropriation		<u>\$20,000DR</u>
<i>Estimated Fund Balance</i>	<u>\$ - 0 -</u>	

Reconcile Budgetary Fund Balance with Modified Accrual Fund Balance and Full Accrual Net Assets

Funds Management also records statistical transactions in order to reconcile actual budgetary fund balance with modified accrual fund balance (in accordance with GASB), to full accrual net assets (in accordance with best practices and possible future GASB budget vs. full accrual reporting changes), and for other operational purposes. As a result, FM balance carryforwards fulfills automated reconciliation of resources to other accrual-based information over a period of time, since many reconciling items span multiple years or are permanent differences.

For example, an organization budgets \$50,000 of personnel expenditure in the current year for a new fund. The organization only records personnel costs on a budgetary basis when paid to the employee; however, employees accrue personal leave (e.g., sick leave, vacation) and an organization must accrue these compensated absences costs for their accrual-based financial statements in accordance with GASB (short-term absences estimated to be taken within the next fiscal year for modified accrual purposes, other absences estimated to be taken after the next fiscal year for full accrual purposes). By recording these compensated absence accruals as statistical postings in FM (separating the short-term from the long-term postings) and carrying these amounts forward from fiscal year to fiscal year, the following fund balance / net asset information is then available in FM to effect automated budget vs. modified accrual vs. full accrual fund balance reconciliation.

	FY 2002
Actual Revenues	\$60,000CR
Actual Personnel Cost Expenditures	<u>\$50,000DR</u>
<i>Budgetary Fund Balance</i>	<u>\$10,000CR</u>
Short-Term Compensated Absences (statistical)	<u>\$ 5,000DR</u>
Modified Accrual Fund Balance	<u>\$ 5,000CR</u>
Long-Term Compensated Absences (statistical)	<u>\$10,000DR</u>
Full Accrual Fund Balance	<u>\$ 5,000DR</u>
	FY 2003
<i>Beginning Budgetary Fund Balance</i>	<u>\$10,000CR</u>
Actual Revenues	\$70,000CR

Actual Personnel Cost Expenditures	<u>\$60,000DR</u>
Budgetary Fund Balance	<u>\$20,000CR</u>
Beg. ST Compensated Absence Balance (statistical)	\$ 5,000DR
Reversal of FY 2002 Accrual	\$ 5,000CR
FY 2003 Accrual	<u>\$ 7,000DR</u>
Reconciling Item-ST Compensated Absences	<u>\$ 7,000DR</u>
Modified Accrual Fund Balance	<u>\$13,000CR</u>
Beg. LT Compensated Absence Balance (statistical)	\$10,000DR
Reversal of FY 2002 Accrual	\$10,000CR
FY 2003 Accrual	<u>\$15,000DR</u>
Reconciling Item-LT Compensated Absences	<u>\$15,000DR</u>
Full Accrual Fund Balance	<u>\$ 2,000DR</u>

BCS Closing

The following steps will outline the steps to prepare the baseline budget for next year:

Versions

Determine versions required for the budget process (e.g., Version 0 is reserved for the final release budget while Version 1-3 can be used for the budget build process).

This can be accomplished through the configuration step *IMG → Public Sector Management → Funds Management Government → Budget Control System (BCS) → BCS Budgeting → Basic Settings → Definition of Budget Data → Edit Versions*. Ensure each version is assigned to the appropriate fiscal year.

Versions you want to use for budgeting must have the following attributes:

- *Plan* indicator is set
- Value **0** is entered in the *Exclusive Use* field (the version is not used for any special applications)

Budget Derivation Rules Changes for BCS

If any of the BCS derivation rules will change for the next fiscal year, two options are available:

- Place a condition (fiscal year greater or equal to next fiscal year) on the new step
- Create a new derivation rule and assign the rule to the next fiscal year

Budget Entry Derivation

Entry documents log the generation of budget data. To define the necessary settings for budget entry documents for the [Budget Control System \(BCS\)](#), use configuration step *IMG → Public Sector Management → Funds Management Government → Budget Control System (BCS) → BCS Budgeting → Budget Entry → Budget Entry Documents → Budget Entry Document*.

AVC Ledger Derivation

Each FM account assignment in which you create budget or to which you post budget consumption is assigned an account assignment in the availability control ledger.

One and two-step derivation of control object

The derivation strategy controls the assignment of the control object to one or more budget addresses. For a budget posting, the corresponding control object is determined on the basis of this derivation strategy. Budget postings are updated in the AVC in a single step. In comparison, actual/commitment postings are updated in two steps in the AVC, using two consecutive derivation strategies. First the corresponding budget address is determined from the posting address - this occurs with the derivation strategy of the budget structure (IMG activity Define Derivation Strategy for Budget Addresses). The control object is then derived from the respective budget address in the same way as the budget posting.

The derivation strategy for availability control objects consists of a sequence of steps that uses one of the following derivation step types:

- **Clear**
In the "clear" derivation step type, you can define whether you want to exclude individual FM account assignment elements from the availability control ledger.
- **Move**
In the "move" derivation step type, you can determine whether the values for the individual FM account assignment elements of your postings should be carried forward partially or in full to the account assignment elements of the ledger.
- **Derivation rule**
In the "derivation rule" step, you can directly enter the assignment of the FM account assignments of your postings to the ledger account assignments.
- **Table Lookup**
In the step "table access", you can access individual records from database tables.
- **Function Module**
In the step "function module", you can call function modules that allow you to search for account assignment elements in master data hierarchies or to determine master data attributes, for example.

You define the logic on how the account assignments of the availability control ledger (availability control object) should derive the budget addresses and posting addresses and your own strategies for deriving Funds Management account assignments (FM account assignments) for availability control through configuration step *IMG → Public Sector Management → Funds Management Government → Budget Control System (BCS) → BCS Availability Control → Settings for Availability Control Ledger → Define Derivation Strategy for Control Objects*.

Tolerance Profile Derivation

You normally assign a standard tolerance profile to the availability control ledger for each fiscal year and FM area. This defines the tolerance limits for all postings. If you want to make the tolerance limits valid for postings to certain FM account assignments or users, you can define a derivation rule which derives an overriding tolerance profile with different tolerance limits for the relevant FM account assignments. Tolerance profiles can be derived. The derivation can be based on the following fields:

- Availability Control Ledger
- USERSTRING1
- USERSTRING2
- Commitment item
- Commitment Item Category
- Financial Management Area
- Fiscal Year
- FM Fund Type
- Functional Area
- Fund
- Funds Center
- Funds Center Manager in Organization Model

- Grant
- Program in Funds Management
- SAP System, User Logon Name

A strategy includes successive steps that use one of the following derivation step types:

- **Clear**
In the "clear" derivation step type, you can reset the value of the tolerance profile or of other available target fields to blank or zero.
- **Move**
In the "move" derivation step type, you can assign particular values to the overriding tolerance profile or other available target fields.
- **Derivation Rule**
In the "derivation rule" derivation step type, you can, for example, assign your tolerance profile to certain values of FM account assignment elements of the availability control ledger or the name of the user.
- **Table Lookup**
In the "table lookup" derivation step type, you can access individual records from the database table.
- **Function Module**
In the "function module" step type, a function module is called when the derivation step is executed. In this way, the target fields you specified will be filled with values.

You define the derivation rules with which you can replace the standard tolerance profile by an alternative tolerance profile through the configuration step *IMG → Public Sector Management → Funds Management Government → Budget Control System (BCS) → BCS Availability Control → Settings for Availability Control Ledger → Define Derivation Strategy for Tolerance Profiles*

The final step is to assign the tolerance profile and AVC control object derivation rules by fiscal year. This is an optional step if you need to change the derivation rules by fiscal year.

You define these attributes for each FM area, ledger and fiscal year (from fiscal year). If you want to define your own derivation strategy for deriving FM account assignments to the availability control ledgers, you assign this in the field *Strategy for Deriving Control Objects*.

If you do not enter a strategy, the account assignment of the availability control object is always identical to the posting or budget address that is either assigned as the FM account assignment of a budget transaction or that is derived from the posting address of a posting transaction (possibly with the exception of the value of the account assignment element "grant").

Assigning and overriding the standard tolerance profile

You must assign a standard profile to the availability control ledger by entering a profile in the field Tolerance Profile. If you do not make an entry in the field Strategy for

deriving a tolerance profile of this configuration step the tolerance limits of this profile are used for all postings.

However, if you want to use different tolerance limits for particular posting activities, you can override the tolerance limits defined in the standard tolerance profile by assigning one of the strategies you defined for determining a tolerance profile to be overridden in the field Strategy for deriving a tolerance profile of this configuration step.

You define the derivation of availability control objects and the assignment of the tolerance profile for each availability control ledger through configuration step *IMG → Public Sector Management → Funds Management Government → Budget Control System (BCS) → BCS Availability Control → Settings for Availability Control Ledger → Assign Tolerance Profiles and Strategy for Control Objects.*

Assignment of the Funds to BCS process for the next fiscal Year

Repeat this step for each version required for Budgeting using menu path *Accounting → Public Sector Management → Funds Management → Budgeting → Budget Control System (BCS) → Version → Assign Status to a Version (Transaction FMBOSTAT)*.

Creating the Preliminary Budget

Without using planning, it is recommended to load the preliminary budget in version 1, 2 or 3. The budget data from fiscal year 2005 can be copied into fiscal year 2006 using menu path *Accounting → Public Sector Management → Funds Management → Budgeting → Budget Control System (BCS) → Tools → Entry Documents → Generate Budget Data (Transaction FMCYLOAD)*.

Validating the Budget Load in BCS

To validate the budget load in BCS use menu path *Accounting → Public Sector Management → Funds Management → Budgeting → Budget Control System (BCS) → Tools → Availability Control → Overview of Annual Values (Transaction FMAVCR01)* or *Accounting → Public Sector Management → Funds Management → Budgeting → Budget Control System (BCS) → Tools → Evaluation using Key Figures (Transaction FMKFR01)*.

Modification of the Budget

The budget can be modified using the Budget Workbench. The preliminary budget can be managed in the budget workbench using menu path *Accounting → Public Sector Management → Funds Management → Budgeting → Budget Control System (BCS) → Entry Documents → Budgeting Workbench (Transaction FMBB)*. Ensure the Budget Workbench layout is set properly using *Extras → Change Layout*.

Copy the Final Budget to Version 0

This is the final step to copy the Budget from Version 1 to Version 0 for the new fiscal year using menu path *Accounting → Public Sector Management → Funds Management → Budgeting → Budget Control System (BCS) → Tools → Entry Documents → Generate Budget Data (Transaction FMCYLOAD)*. You cannot post budget to special periods.

Validate the Final Budget

To validate the budget load in BCS use menu path *Accounting → Public Sector Management → Funds Management → Budgeting → Budget Control System (BCS) → Tools → Availability Control → Overview of Annual Values (Transaction FMAVCR01)* or *Accounting → Public Sector Management → Funds Management → Budgeting → Budget Control System (BCS) → Tools → Evaluation using Key Figures (Transaction FMKFR01)*.

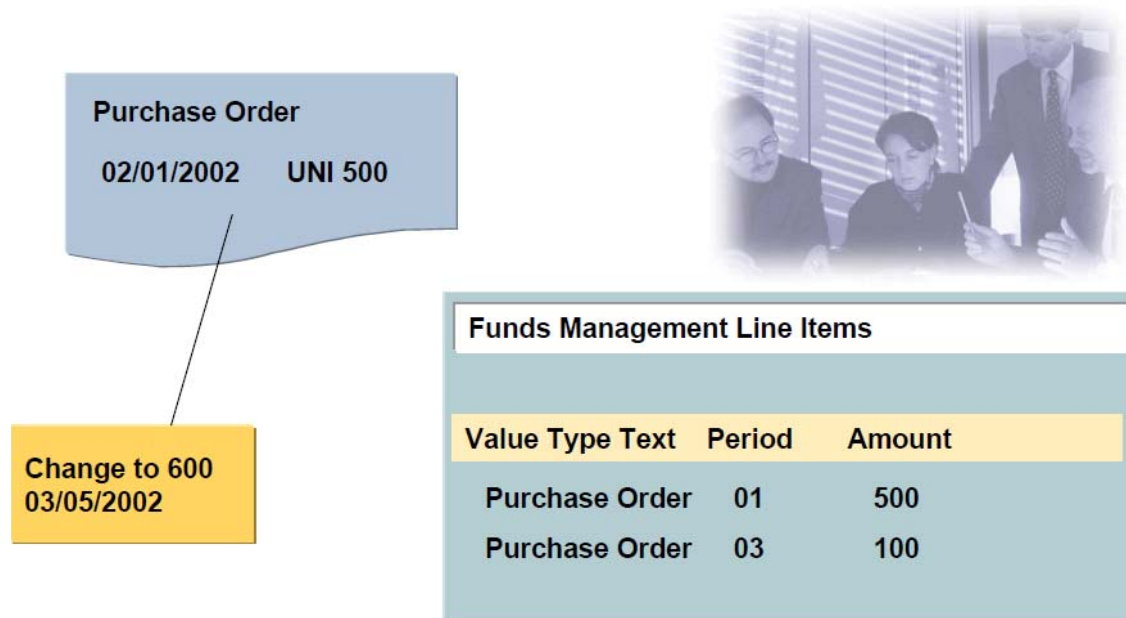
Period-based Encumbrance Tracking (PBET) Overview

Period-based Encumbrance Tracking (PBET) – MM Integration Overview

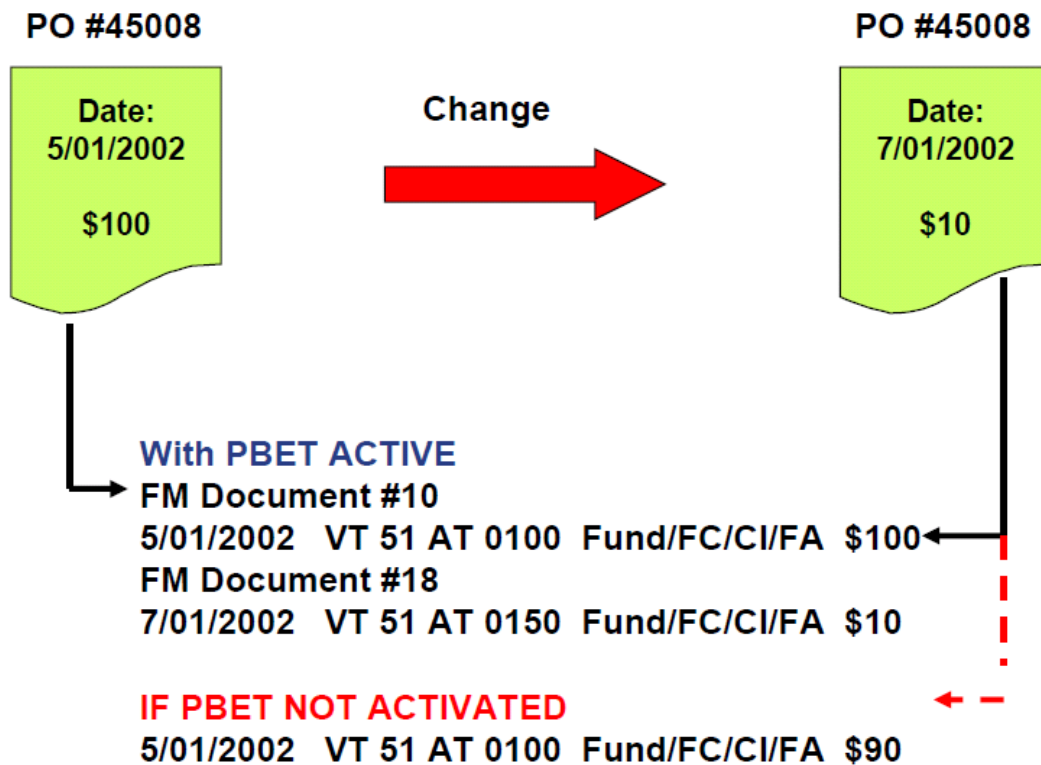
When PBET is turned on:

Encumbrances post on procurement document – PR's and PO's based on posting date – NO LONGER on delivery date. Delivery schedules may no longer be used.

- Bigger issue than having to create multiple PO's is to have accurate financial data on the financial statements crossing fiscal periods and years.
- If multiple year contracts are required – recommend using the Outline Agreement functionality in MM to tie PO's to contract.
- Consider putting all years budget for multi-year budgets in the first year in FM – Remember by allowing postings in the next FY before you have legal authority to do so is in effect the same thing.
- Gather information about how many of these multi-year PO's exist – large volume is sometimes used as basis for not turning PBET on.
- Activation will result in increased FM table size.



Period-Based Encumbrance Tracking



PBET: Controlling FM Postings –T3 KP 4

Period Ending 05/31/2002: **FI and CO** Periods Closed

	"Final" Report	Balances after "Final" Reporting
Fund Reservations	\$3,000DR	\$ 3,000DR
Fund Commitments	<u>\$4,000DR</u>	<u>\$104,000DR</u>
Total Encumbrances	\$7,000DR	\$107,000DR

Fund Commitment
Posting Date: 05/31/2002
\$100,000

Period Ending 05/31/2002: **FI/CO/FM** Periods Closed

	"Final" Report	Balances after "Final" Reporting
Fund Reservations	\$3,000DR	\$3,000DR
Fund Commitments	<u>\$4,000DR</u>	<u>\$4,000DR</u>
Total Encumbrances	\$7,000DR	\$7,000DR

Fund Commitment
Posting Date: 05/31/2002
\$100,000

Posting
Not
allowed

Fund xyz: FM Posting Ending 05/31/2002 is Closed for Encumbrance Value Types, Open for Value Type 54

Fund Reservations	\$3,000DR	\$3,000DR
Fund Commitments	<u>\$4,000DR</u>	<u>\$4,000DR</u>
Invoices	<u>\$1,000DR</u>	<u>\$1,000DR</u>
Totals	\$7,000DR	\$7,000DR

Invoice
(referencing existing
Funds commitment)
Posting Date:
05/31/2002
\$1,000

Fund Commitment
Posting Date: 05/31/2002
\$100,000

Override Update Profile

If PBET is used, profile 000102 requires override through configuration step *IMG → Public Sector Management → Funds Management Government → Actual and Commitment Update/Integration → Override Update Profile*. This configuration is recommended for state and local government. PBET is required for Value Type 51 Purchase Order.

Override for a value type

You can individually specify for each update profile and value type, which document date should be called upon for the period assignment of commitment and actual data in Funds Management that means in which period the actual data in the Information system should be displayed for the payment budget and/or the commitment budget.

Update periods from:

- Posting/Document date
- Due date
- Delivery date

In addition, you can specify for each value type that the update in Funds Management should only be statistical. This means that the posting is not subject to availability control and does not use any budget.

Note: A document statistically updated cannot refer to a document that was "really" updated. Ensure that the "beginning" of a document chain is flagged as statistical - for example, the purchase requisition or the funds reservation and fund precommitment.

Override for an FM area

You can stipulate for update profile and FM area whether the updating of commitments data should take place on an annual basis or a periodic basis.

- **Commitments update on annual basis**

For commitments update on a yearly basis, there is only **one** data record representing commitments in table FMIOI for each fiscal year and amount type (*Original, Reduction, Previous year carryforward commitments, Following year carryforward commitments, Change*). Changes to amounts or account assignments in the original document are not logged under amount type *Change*, but instead they overwrite the record for amount type *Original*. An existing reduction record is overwritten at the same time as the commitments are reduced by a follow-on document.

- The commitments are updated according to the chosen update profile or, if necessary, according to the chosen update date for the value types with the posting/document date, due date, or delivery date. Commitments that were carried forward into the new fiscal year with commitment carryforward are displayed in the new fiscal year in period 0 under amount type *Following year carryforward commitments*. A data record under amount type *Change* is only generated for changes to a document that already exists; the amount type is overwritten again for further changes.

Restrictions: If you select commitments update on an annual basis, you cannot track document changes and as a result you are also unable to analyze the precise budget situation as it was previously. You are also unable to close posting periods, as they are still being posted to when changes are made to the original document,

because changes are updated in Funds Management under the original update date.

Advantage: This type of update offers the advantage that the volume of documents is kept small.

- **Commitments update on a periodic basis**

Updating commitments on a periodic basis allows you to log all changes to documents and account assignments. For each change, an appropriate data record with the amount type *Change* is generated in table FMIOI. The changes, including those made to documents that have executed a year change, are updated under a configurable update date. Therefore you have a "historical" view in the Information system, which gives the precise point in time at which the budget was used.

Warning: If you want to set up commitments update on a periodic basis, you need to be aware that it results in approximately **three** times the volume of data resulting from commitments update on an annual basis. Frequent changes to the amounts and the account assignments also increase this volume of data.

Requirements

If you want to set up commitments update on a periodic basis, you must use an update profile that updates the commitments value types under the posting date (for example, 101 or 102).

Standard settings

Commitments update is set up on an annual basis in all the update profiles in the standard delivery.

Exceptions to this rule are profiles 000300 and 000600, which SAP only releases to specific customer areas.

Be aware that you can change commitments update from on an annual basis to a periodic basis at any time. However, the opposite is not true. Once commitments data has been posted, a change from period-based commitments update to annual-based is no longer possible.

Activities

1. Make the desired settings for an update profile and value type.

When you save, the system displays a message if your entries are different from the configuration delivered as standard.

Note: You should not make any changes to the settings after production startup, as this may adversely affect the reliability of the data in the Information system.

2. Activate commitment update on a periodic basis for your FM area, if you need this type of update in your organization.

SCEIS' requirement is for encumbrances to post on procurement document – PR's and PO's based on posting date – rather than the delivery date.

SCEIS will activate PBET based on the requirement for encumbrances for PR's and PO's to be based on posting date and the SAP software recommendation to activate for state and local government by overriding update profile 000102.

Inter/Intra Departmental Transfer (IDT)

The State of South Carolina frequently bills itself for goods and/or services. These inter/intra-departmental transfers require validation of the cash control edit and funds availability. These transactions are analyzed monthly & yearly for possible reversal in preparing financial statements. Therefore, there is a concern that month-end and/or year-end will not contain both receivable and payable entries (i.e. lag in payment) which may result in our inability to identify and/or reverse these transactions, if applicable.

Inter-departmental Transfers:

- The billing agency will usually create an Accounts Receivable and send that invoice to its “sister” agency for payment. The billing agency should record revenues, for their business area, at the time the receivable is recorded/posted.
- The paying agency may sit on the invoice until such time as there are adequate funds and cash available to pay the invoice. The paying agency records expenditures, for their business area, at the time the invoice is approved/posted.
- When the actual payment is made for the Inter-departmental Transfer (IDT), no check should be generated and the receivable should be cleared automatically.

Intra-departmental Transfers:

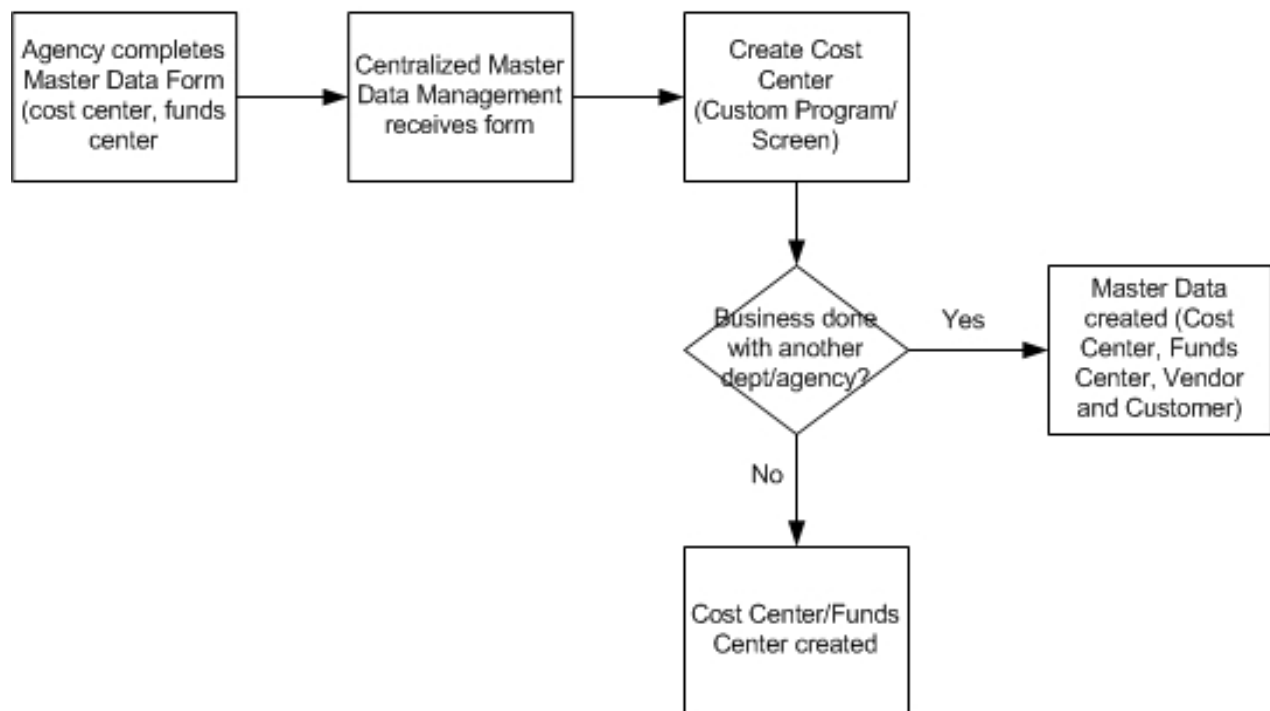
- One department (cost center) may bill another department (cost center) for goods/services (e.g. like motor pool, etc.) within the same agency. The billing department will usually create an Accounts Receivable and send that invoice to another department for payment. The billing department should record revenues, for their cost center, at the time the receivable is recorded/posted.
- The paying department may sit on the invoice until such time as there are adequate funds and cash available to pay the invoice. The paying department records expenditures, for their cost center, at the time the invoice is approved/posted.
- When the actual payment is made for the Intra-departmental Transfer (IDT), no check should be generated and the receivable should be cleared automatically.

The following are the requirements based on our design discussion during the workshops:

- When a cost center is created and it is identified as doing business with another department/agency, the cost center, funds center, vendor master and customer master will be created automatically. This will enable the payment proposal to produce a “cash” movement within SAP, rather than generating an actual check/EFT.
- When a Live Agency’s billing system generates a bill for IDTs or any other customer, a file will be sent to SAP to post an SAP Accounts Receivable (FB70) or the receivable can be entered manually into SAP. It is assumed that most will be interfaced, however.
- When a non-Live Agency’s paying system submits a bill to STARS for payment, the STARS interface will require the following edits prior to creating the SAP Accounts Payable (FV60):
 - Is the vendor another agency/dept? If not, go to funds availability check. If it is, go to the next item.

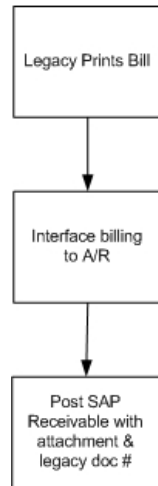
- Does the receivable exist (i.e. SAP A/R reference #)? If not, go to STARS error file. If it does, go to funds availability check. This edit will require an enhancement.
- Are funds available? If the funds are available, park (save as complete) the payable. If not, go to STARS error file.

IDT Transfer Master Data Setup

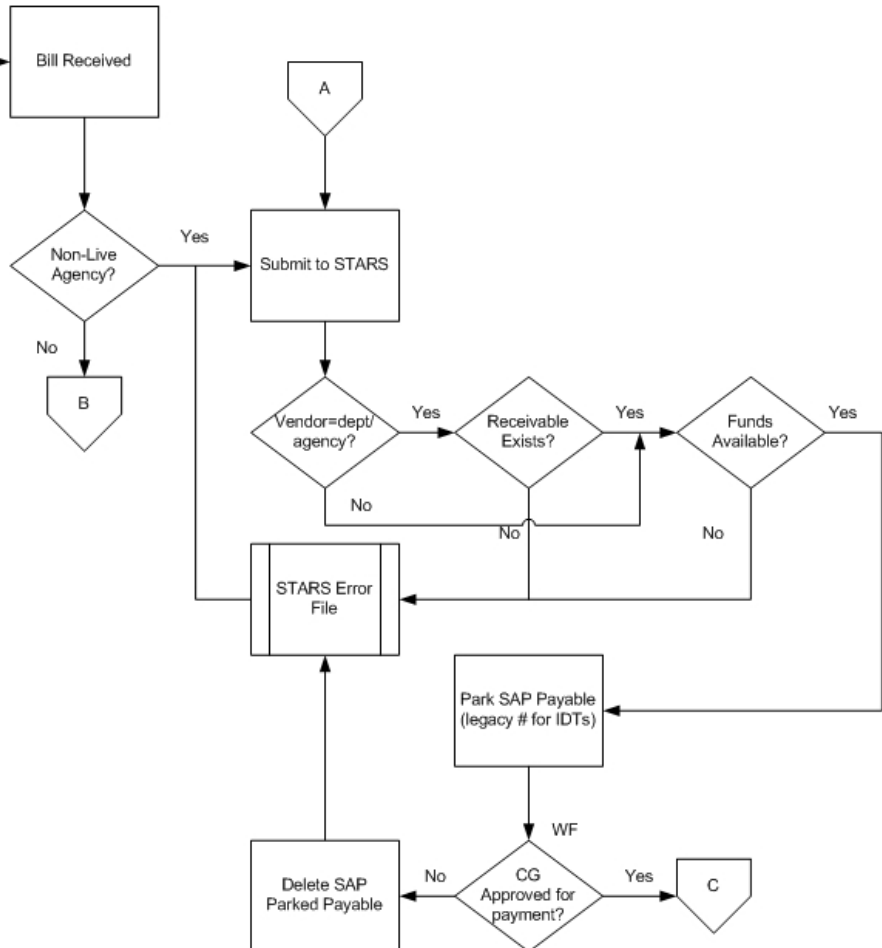


IDT Transaction Processing

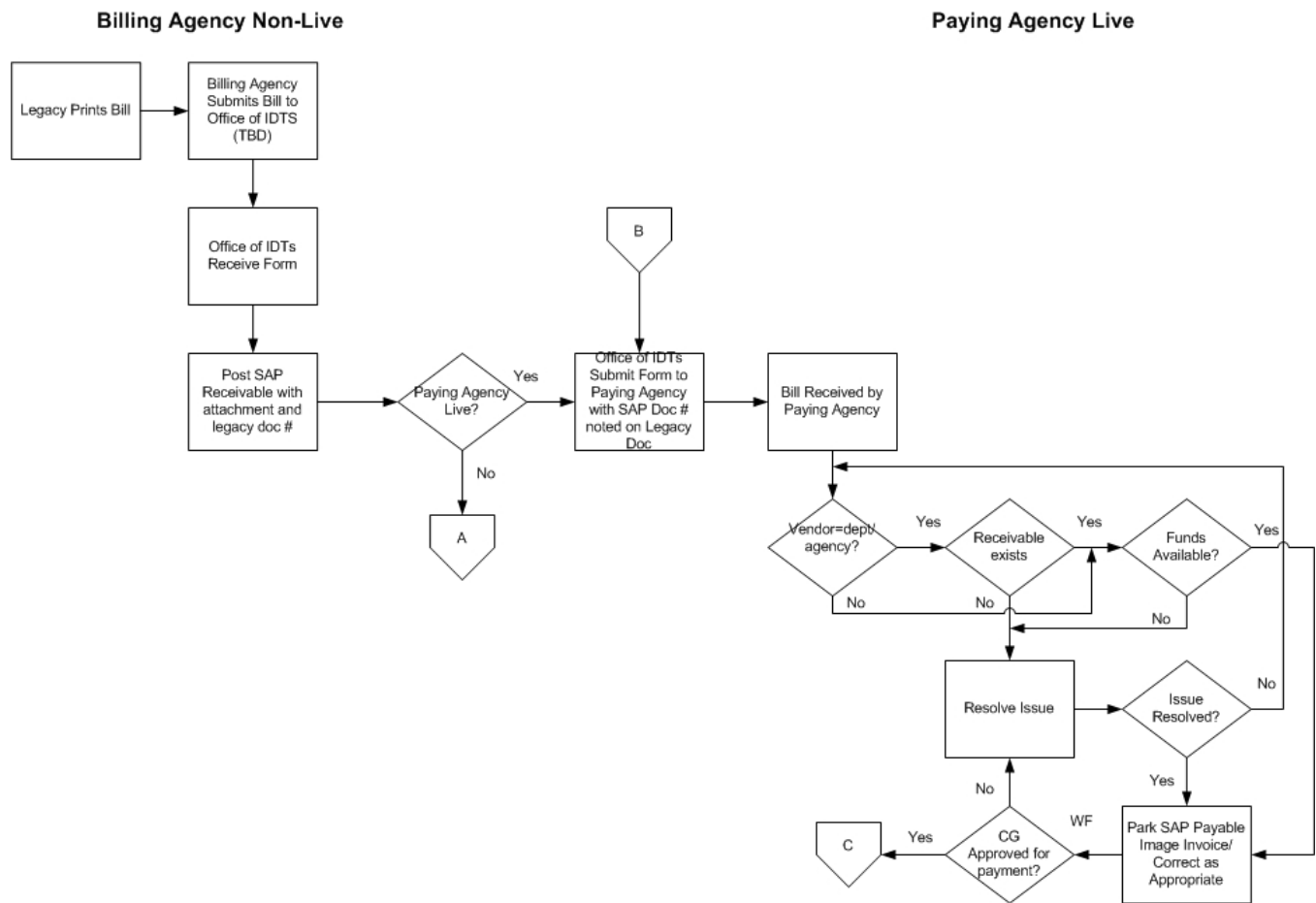
Billing Agency Live

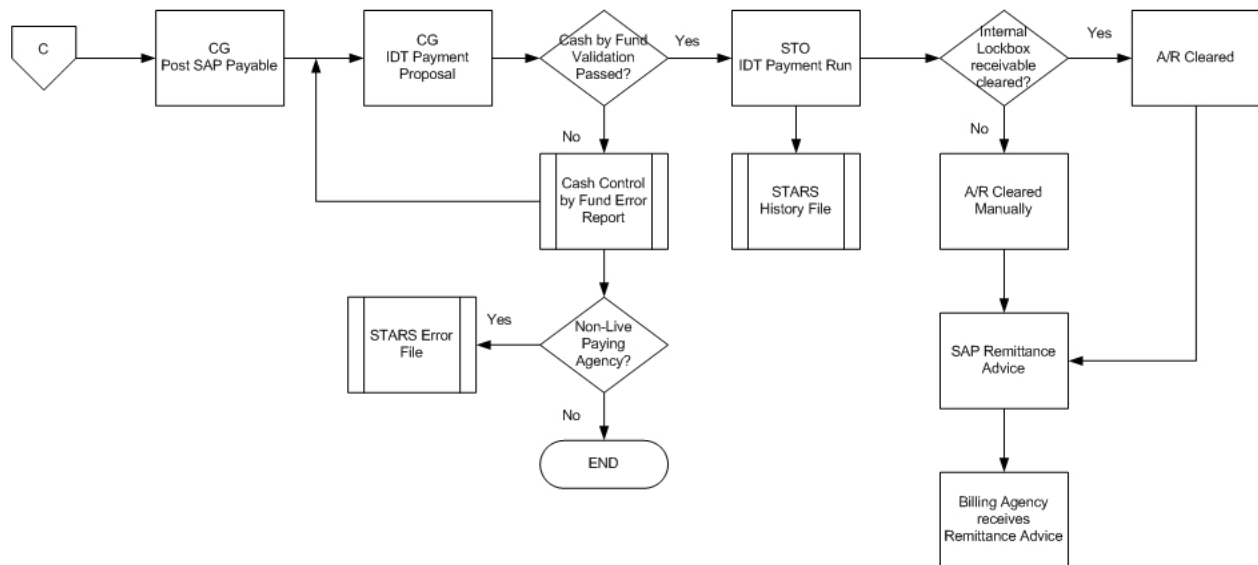


Paying Agency Non-Live



IDT Transaction Processing



IDT Payment Processing
All Agencies

Note: Additional details are available in Functional Spec IDT Solution Parts I-III.

SAP Accounts Payable (FV60) prototyped as detailed below:

Below is an attempt to post a vendor payable with an invalid vendor.

Document Edit Goto Extras Settings Environment System Help

Park Vendor Invoice: Company Code SC01

Tree off Company Code Simulate Save as completed Post Editing options

Transactn Invoice Bal. 0.00

Basic data Payment Details Tax Withholding tax

Vendor 10006 SQL Ind
Invoice date 04/11/2006 Reference STARS IR/IDT
Posting Date 04/11/2006
Amount 100.00 USD Calculate tax
Tax amount
Text
Company Code SC01 State of South Carolina Columbia
Lot No.

0 items (No entry variant selected)

St...	G/L acct	Short Text	D/C	Amount in doc.curr.	Loc.curr.amount	T...	Tax jurisdictn code	W Assignment
		Debit			0.00			
		Debit			0.00			
		Debit			0.00			
		Debit			0.00			
		Debit			0.00			
		Debit			0.00			
		Debit			0.00			

Vendor 10006 is not defined in company code SC01

ECP (1) (900) sap1 INS

Start 2 Win... 2 Micr... 2 SAP... Adobe... Microso... 92% 8:15 AM

Document Edit Goto Extras Settings Environment System Help

Park Vendor Invoice: Company Code SC01

Tree off Company Code Simulate Save as completed Post Editing options

Transactn Invoice Bal. 0.00

Basic data Payment Details Tax Withholding tax

Vendor 10005 SQL Ind
Invoice date 04/11/2006 Reference STARS IR/IDT
Posting Date 04/11/2006
Amount 100.00 USD Calculate tax
Tax amount
Text
Paymt terms Due immediately
Baseline date 04/11/2006
Company Code SC01 State of South Carolina Columbia
Lot No.

Vendor
Address
Company
Vendor & co
1200 Hampton Street
Phoenix SC 29201
Bank account
Bank Number
Not available

1 items (No entry variant selected)

St	G/L acct	Short Text	D/C	Amount in doc.curr.	Co	Tradin	Bus	Part	Cost center	Order	Fi
✓	5610000300	Misc Operatio	Debit	100.00	SC01		F030		1314010000		
		Debit			SC01						
		Debit			SC01						
		Debit			SC01						
		Debit			SC01						
		Debit			SC01						
		Debit			SC01						

ECP (1) 900 sap1 INS

Start 2 Window... 3 SAP Lo... Yahoo! Mail ... Park Requi... 100% 10:43 AM

Click on "Save as Completed".

Document Edit Goto Extras Settings Environment System Help

Tree off Company Code Simulate Save as completed Post Editing options

Transactn Invoice Bal. 0.00

Basic data Payment Details Tax Withholding tax

Vendor SGL Ind ☐

Invoice date Reference

Posting Date 04/11/2006

Amount USD ☐ Calculate tax

Tax amount

Text

Company Code SC01 State of South Carolina Columbia

Lot No.

0 items (No entry variant selected)

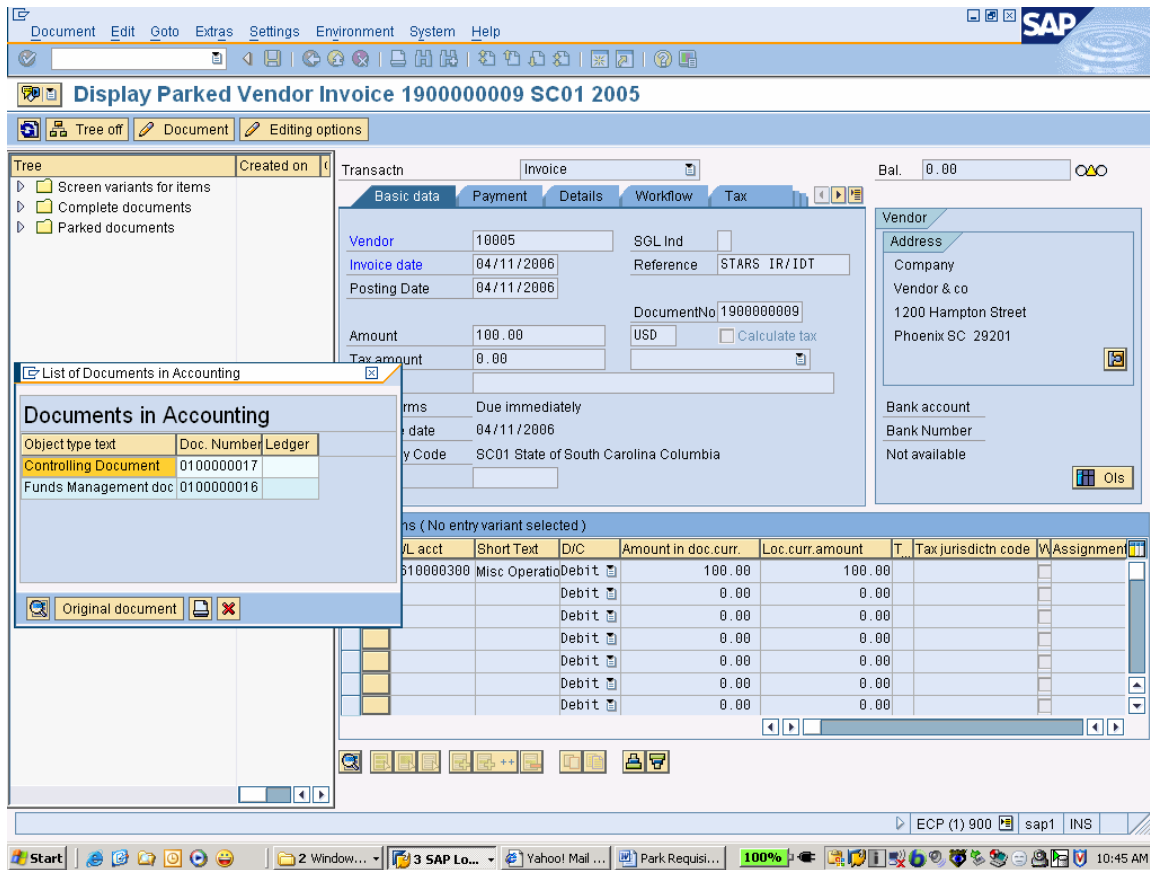
St	G/L acct	Short Text	D/C	Amount in doc. curr.	Loc. curr. amount	T	Tax jurisdictn code	Assignment
			Debit		0.00			
			Debit		0.00			
			Debit		0.00			
			Debit		0.00			
			Debit		0.00			
			Debit		0.00			
			Debit		0.00			

Document 1900000009 SC01 was parked

ECP (1) 900 sap1 INS

Start 2 Window... 3 SAP Lo... Yahoo! Mail ... Park Requi... 100% 10:44 AM

Vendor Invoice was parked with controlling and funds management documents.

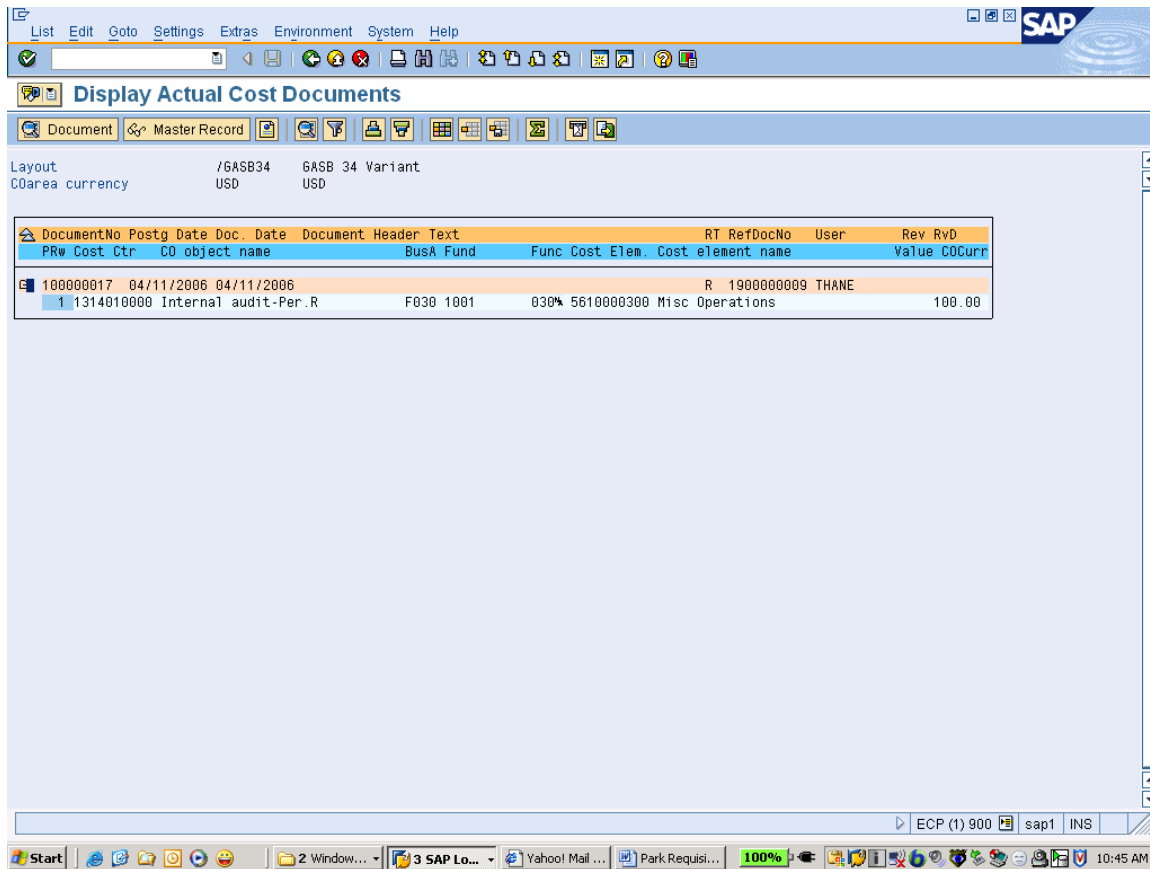


The screenshot displays the SAP interface for displaying a parked vendor invoice. The main window is titled "Display Parked Vendor Invoice 1900000009 SC01 2005". The interface includes a menu bar (Document, Edit, Goto, Extras, Settings, Environment, System, Help) and a toolbar. The left sidebar shows a tree structure with "Screen variants for items", "Complete documents", and "Parked documents". The main area is divided into several sections:

- Basic data:** Vendor 10005, Invoice date 04/11/2006, Posting Date 04/11/2006, Amount 100.00, Tax amount 0.00, Document No 1900000009, Reference STARS IR/IDT.
- Vendor:** Address, Company Vendor & co, 1200 Hampton Street, Phoenix SC 29201.
- Bank account:** Bank Number Not available.
- Documents in Accounting:** A pop-up window showing a list of documents with columns for Object type text, Doc. Number, and Ledger. The list includes "Controlling Document" (0100000017) and "Funds Management doc" (0100000016).
- Table:** A table showing document details with columns: V/L acct, Short Text, D/C, Amount in doc. curr., Loc. curr. amount, T, Tax jurisdictn code, and Assignment. The table contains one row with "610000300 Misc Operatio" and a debit amount of 100.00.

The bottom status bar shows "ECP (1) 900 sap1 INS" and the system clock "10:45 AM".

Controlling document 100000017 is parked.

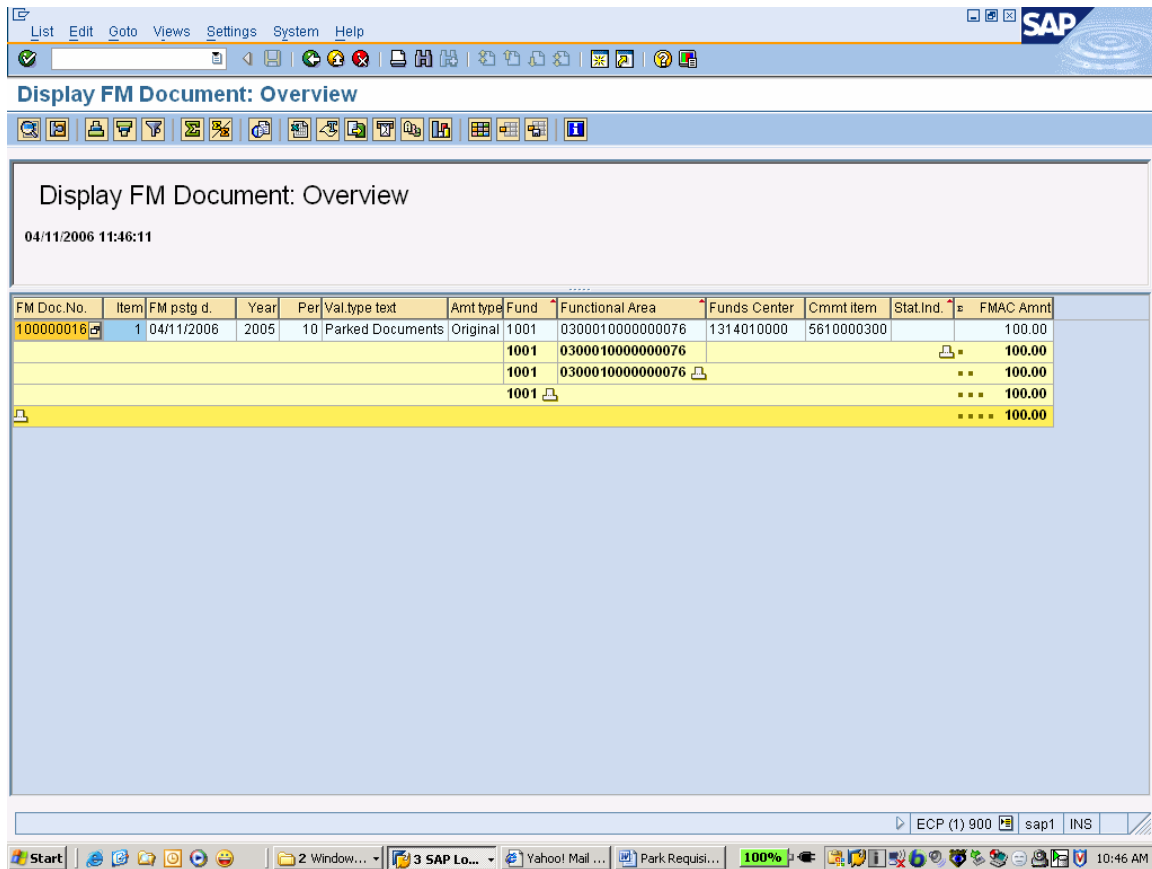


The screenshot shows the SAP 'Display Actual Cost Documents' window. The title bar includes 'List', 'Edit', 'Goto', 'Settings', 'Extras', 'Environment', 'System', and 'Help'. The menu bar includes 'Document', 'Master Record', and various icons. The layout shows 'COarea currency' as 'USD' and '6ASB 34 Variant' as 'USD'. The table below displays the document details.

DocumentNo	Postg	Date	Doc. Date	Document Header Text	RT	RefDocNo	User	Rev	RvD
PRw Cost Ctr	CO object name	BusA Fund	Func Cost Elem.	Cost element name	Value	COcurr			
100000017	04/11/2006	04/11/2006			R	1000000009	THANE		
1.1314010000	Internal audit-Per.R	F030 1001	030%	5610000300 Misc Operations				100.00	

The status bar at the bottom shows 'ECP (1) 900', 'sap1', 'INS', and '10:45 AM'.

Funds Management document 100000017 is parked.

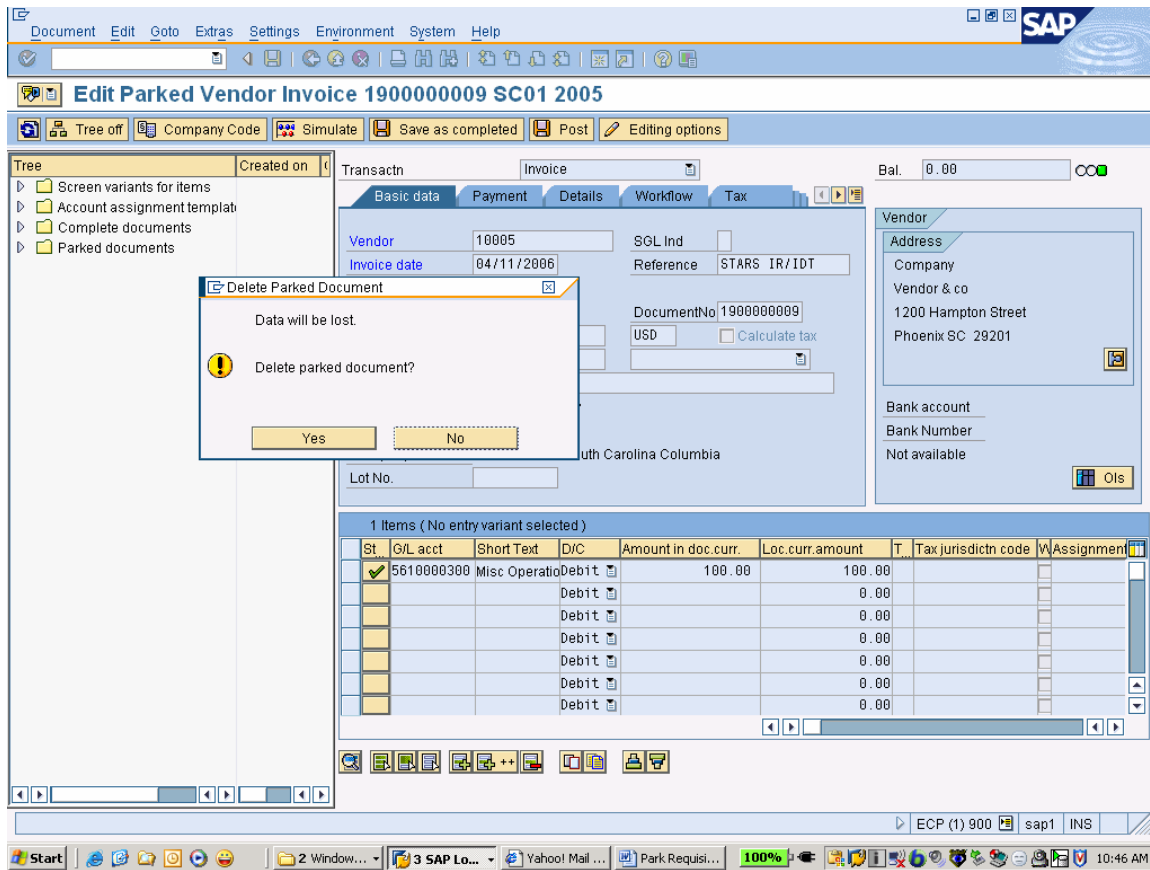


The screenshot shows the SAP 'Display FM Document: Overview' window. The title bar includes 'List', 'Edit', 'Goto', 'Views', 'Settings', 'System', and 'Help'. The main area displays the document overview for FM Doc. No. 100000016, Item 1, dated 04/11/2006, Year 2005, Per 10, Val.type text 'Parked Documents', Amt.type 'Original', Fund 1001, Functional Area 0300010000000076, Funds Center 1314010000, Cmnt Item 5610000300, Stat.Ind. =, and FMAC Amt 100.00. The table below shows the document structure with columns for FM Doc.No., Item, FM pstg d., Year, Per, Val.type text, Amt.type, Fund, Functional Area, Funds Center, Cmnt Item, Stat.Ind., and FMAC Amt.

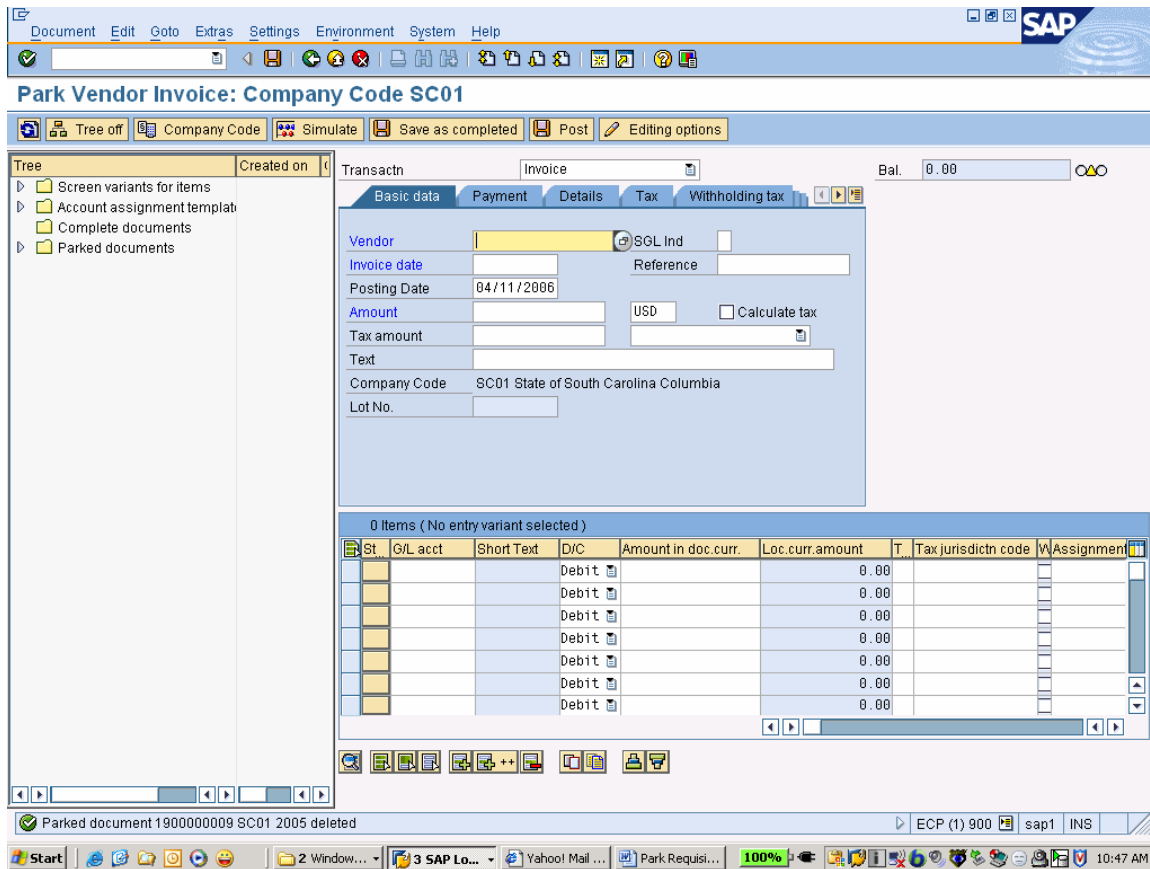
FM Doc.No.	Item	FM pstg d.	Year	Per	Val.type text	Amt.type	Fund	Functional Area	Funds Center	Cmnt Item	Stat.Ind.	FMAC Amt
100000016	1	04/11/2006	2005	10	Parked Documents	Original	1001	0300010000000076	1314010000	5610000300	=	100.00
							1001	0300010000000076			=	100.00
							1001	0300010000000076			=	100.00
							1001				=	100.00
							1001				=	100.00

The bottom status bar shows 'ECP (1) 900', 'sap1', 'INS', and '10:46 AM'.

To Delete Parked Document select *Document* → *Delete Parked Document*, a pop-up box will appear and then click on “Yes”.



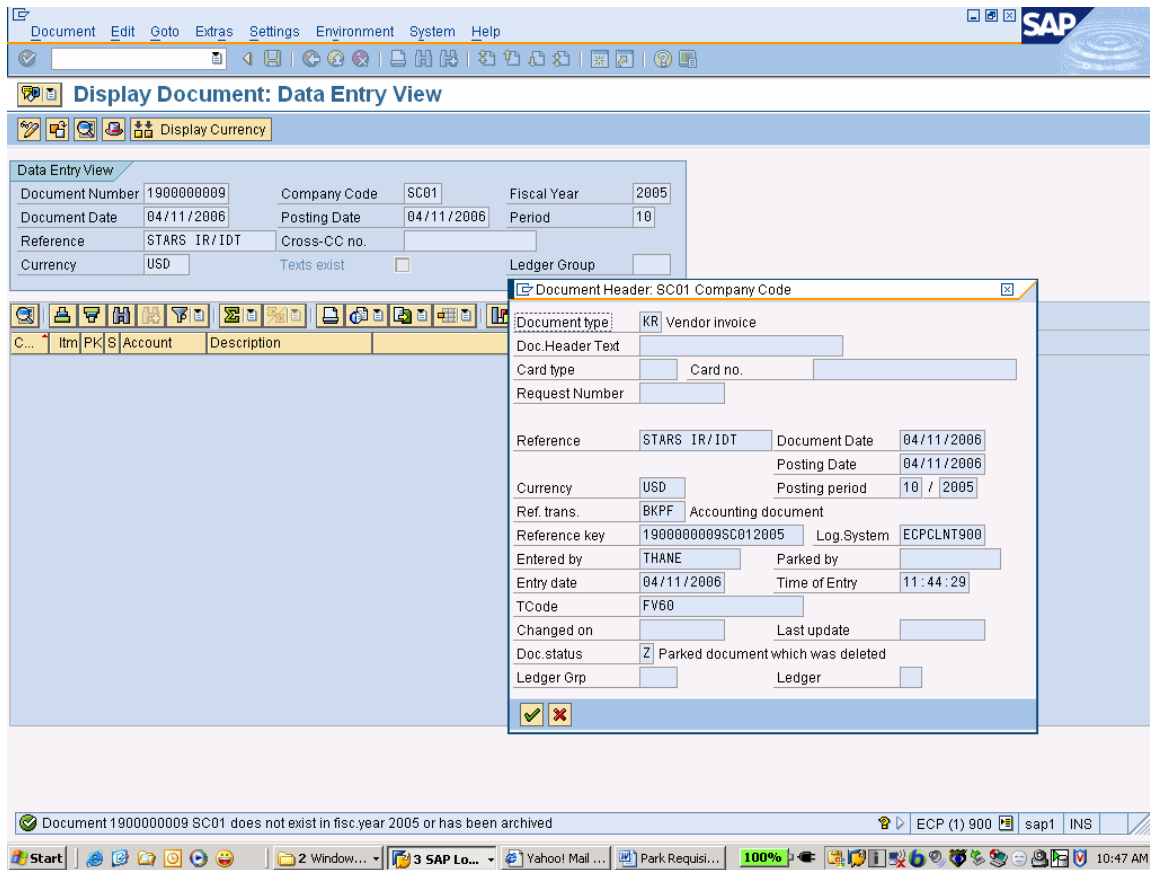
The Vendor Invoice, Controlling and Funds Management documents are deleted.



The screenshot shows the SAP 'Park Vendor Invoice' screen for Company Code SC01. The interface includes a menu bar (Document, Edit, Goto, Extras, Settings, Environment, System, Help) and a toolbar with icons for document actions. The left sidebar contains a 'Tree' view with folders for 'Screen variants for items', 'Account assignment template', 'Complete documents', and 'Parked documents'. The main area is divided into tabs: 'Basic data', 'Payment', 'Details', 'Tax', and 'Withholding tax'. The 'Basic data' tab is active, showing fields for 'Vendor' (with a dropdown for 'SQL Ind'), 'Invoice date', 'Posting Date' (04/11/2006), 'Amount', 'Tax amount', 'Text', 'Company Code' (SC01 State of South Carolina Columbia), and 'Lot No.'. A 'Bal.' field shows 0.00. Below the form is a table with 0 items, titled '0 Items (No entry variant selected)'. The table has columns: St, G/L acct, Short Text, D/C, Amount in doc. curr., Loc. curr. amount, T, Tax jurisdicn code, and W Assignment. The table is currently empty. At the bottom, a status bar shows 'Parked document 1900000009 SC01 2005 deleted' and 'ECP (1) 900 sap1 INS'. The Windows taskbar at the very bottom shows the Start button, several open windows (2 Window..., 3 SAP Lo..., Yahoo! Mail..., Park Requi...), and the system clock (10:47 AM).

St	G/L acct	Short Text	D/C	Amount in doc. curr.	Loc. curr. amount	T	Tax jurisdicn code	W Assignment
			Debit		0.00			
			Debit		0.00			
			Debit		0.00			
			Debit		0.00			
			Debit		0.00			
			Debit		0.00			
			Debit		0.00			

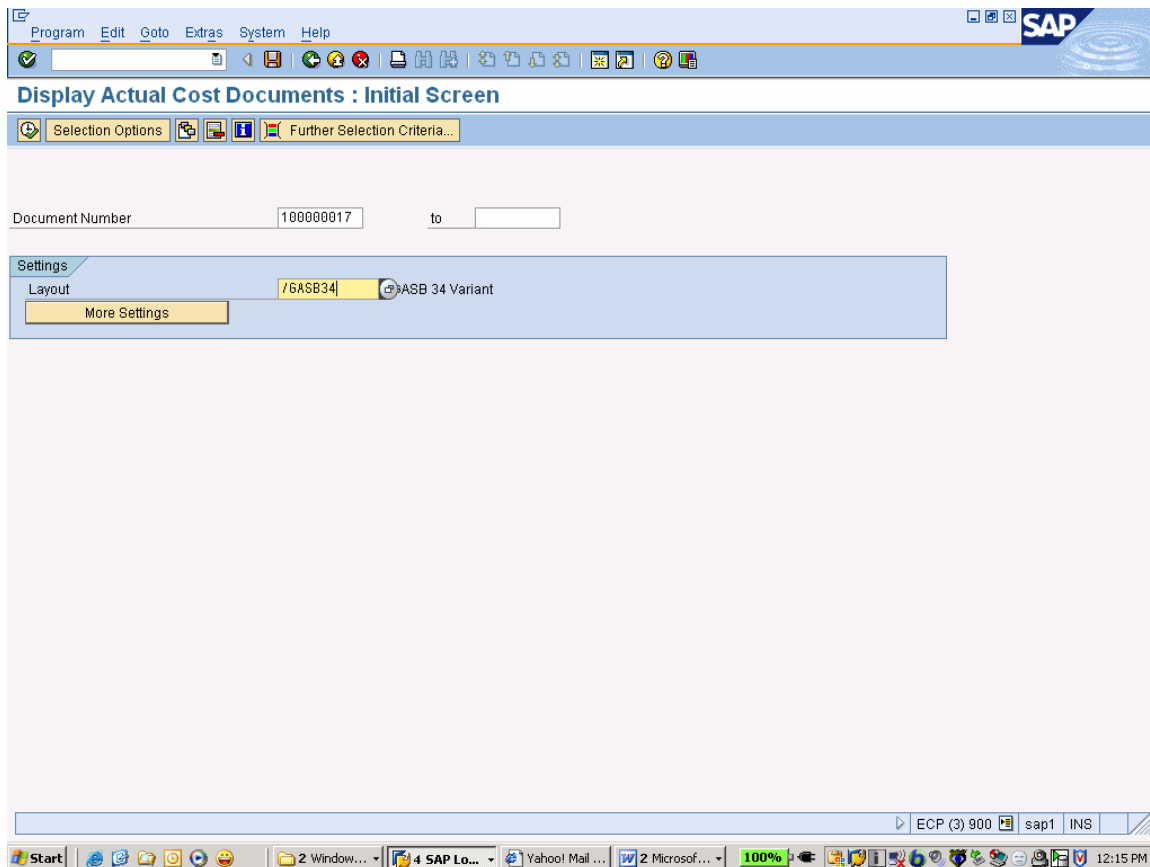
The user will only be able to view the Vendor Invoice document in Display Document (Transaction FB03).



The screenshot shows the SAP Display Document (FB03) interface. The main window is titled "Display Document: Data Entry View". It contains a "Data Entry View" section with fields for Document Number (1900000009), Company Code (SC01), Fiscal Year (2005), Document Date (04/11/2006), Posting Date (04/11/2006), Period (10), Reference (STARS IR/IDT), Cross-CC no., Currency (USD), Texts exist (checkbox), and Ledger Group. A "Document Header: SC01 Company Code" pop-up window is open, showing details for a Vendor Invoice (Document type: KR). The pop-up includes fields for Doc. Header Text, Card type, Card no., Request Number, Reference (STARS IR/IDT), Document Date (04/11/2006), Posting Date (04/11/2006), Currency (USD), Posting period (10 / 2005), Ref. trans. (BKPF), Accounting document, Reference key (1900000009SC012005), Log. System (ECPCLNT900), Entered by (THANE), Parked by, Entry date (04/11/2006), Time of Entry (11:44:29), TCode (FV60), Changed on, Last update, Doc. status (Z), and Ledger Grp. A status bar at the bottom of the pop-up indicates "Document 1900000009 SC01 does not exist in fisc. year 2005 or has been archived". The main window also has a status bar at the bottom showing "ECP (1) 900 sap1 INS".

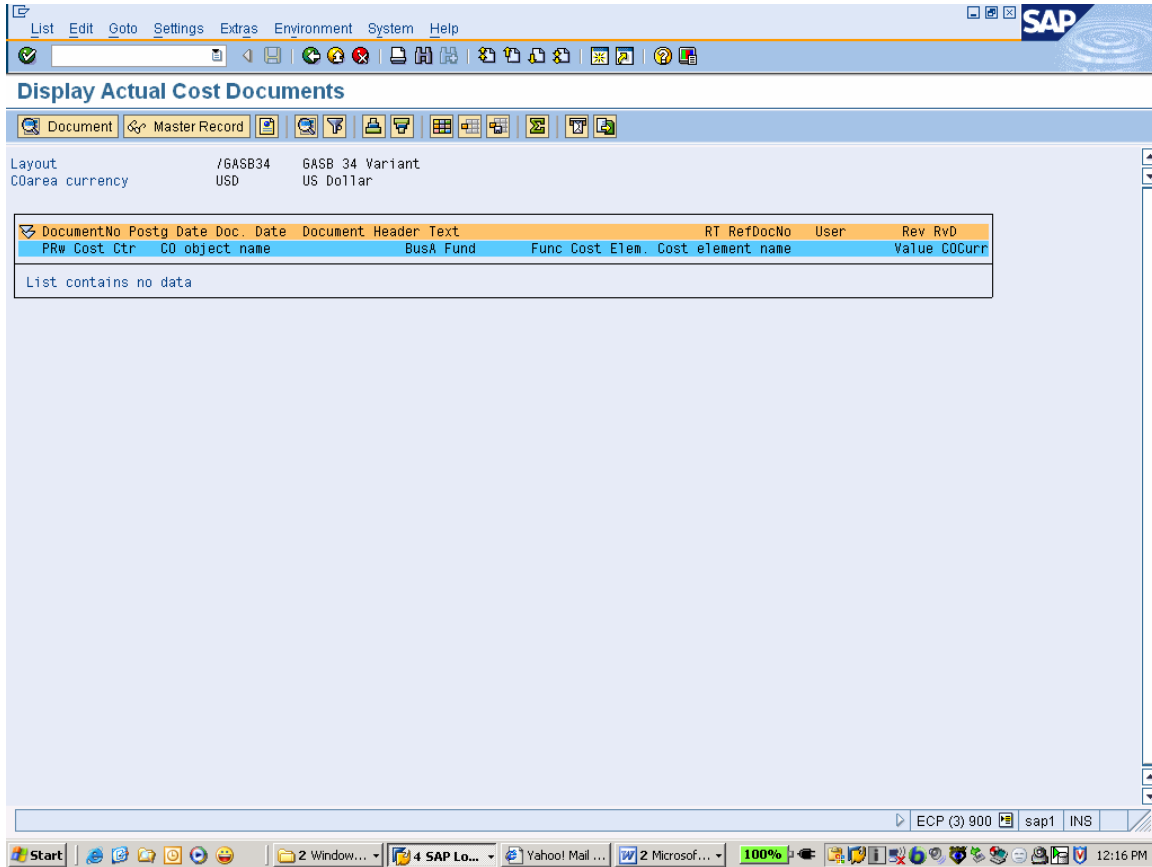
C...	Item	PK	S	Account	Description
------	------	----	---	---------	-------------

To view the Controlling document, use menu path *Accounting→Controlling→Cost Center Accounting→Information System→Reports for Cost Center Accounting→Line Items→Co Document Actual Costs (Transaction KSB5)*.



The screenshot shows the SAP 'Display Actual Cost Documents : Initial Screen'. The interface includes a menu bar (Program, Edit, Goto, Extras, System, Help) and a toolbar with various icons. Below the title bar, there are buttons for 'Selection Options', 'Further Selection Criteria...', and 'Settings'. The 'Settings' section is expanded, showing 'Layout' set to '6ASB34' and 'ASB 34 Variant'. A 'More Settings' button is also visible. The main area contains a 'Document Number' field with the value '100000017' and a 'to' field. At the bottom, the SAP status bar shows 'ECP (3) 900', 'sap1', 'INS', and the system clock '12:15 PM'.

However, once the Vendor Invoice is deleted, the Controlling document is not available for viewing.



The screenshot shows the SAP 'Display Actual Cost Documents' interface. The top menu bar includes 'List', 'Edit', 'Goto', 'Settings', 'Extras', 'Environment', 'System', and 'Help'. Below the menu is a toolbar with various icons. The main area displays the following information:

Layout: /6ASB34 6ASB 34 Variant
COarea currency: USD US Dollar

DocumentNo	Postg	Date	Doc. Date	Document Header Text	RT	RefDocNo	User	Rev	RvD
PRW Cost Ctr	CO object name			BusA Fund	Func Cost Elem.	Cost element name		Value	COCurr

Below the table, it states: 'List contains no data'.

The bottom status bar shows 'ECP (3) 900', 'sap1', 'INS', and the system clock '12:16 PM'.

APPENDIX I: Fixed Asset Closing Process

Step 1: Recalculate Values

- Run program RAAFAR00 (transaction AFAR) to recalculate all asset values
- Ensures that all planned depreciation reflects current depreciation settings

Step 2: Incomplete Assets

- Run RAUNVA00 to find all incomplete assets
- These assets need to be completed prior to year-end closing

Step 3: Unposted Assets

- Run RAANLA01 to find all unposted assets
- Pay attention to the 'creation date'

Step 4: Delete Assets

- If you found unposted assets during step 3 you may want to delete these assets using transaction AS06 (or AS26 for group assets)
- Since these assets have never been capitalized, you may physically delete these records

Step 5: Insurance Index

- Enter the new insurance index using transaction AYLS
- Index is needed for correct replacement value calculation

Step 6: Depreciate Period 12

- Run RABUCH00 (transaction AFAB) for your last period according to your month end closing procedure
- Process BDC session (This is not necessary if 'Direct FI posting' is selected in releases >4.5x.)

Step 7: Reconcile FI to AA

- Reconcile sub ledger with General Ledger using reports such as 'Total Depreciation' or 'Asset Balance'
- Compare to FI Account Balance Display (transaction FS10) for all APC and DDA accounts (reconciliation accounts)

Step 8: Year-End Change

- Run RAJAW00 (transaction AJRW) to open up the new fiscal year in AA
- Note that this step is not related to any FI periods

Step 9: Year-End Close

- Run RAJABS00 (transaction AJAB) to close the old fiscal year (T093B-ABGJA)
- If errors are reported you will have to fix these first before you can attempt the closing again
- **Do not skip the FIAA closing!**

Step 10: Undo Close

- You may re-open the fiscal year in AA for either the entire company code (transaction OAAQ) or for individual depreciation areas only (transaction OAAR)
- If you re-opened the year for posting areas you should repeat this closing procedure starting with step # 1, otherwise step # 8

Step 11: Update Production Support Systems

- Perform all year-end closing steps in your production support systems to ensure a smooth transition into the new year